REPORT RESUMES

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PROGRAM-ORIENTED INFORMATION--A MANAGEMENT SYSTEMS COMPLEX FOR STATE EDUCATION AGENCIES. PART II, MANUAL OF ACCOUNTING AND RELATED FINANCIAL PROCEDURES.

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THIS DOCUMENT IS THE SECOND PART OF A REPORT, PROGRAM-ORIENTED INFORMATION--A MANAGEMENT SYSTEMS COMPLEX FOR STATE EDUCATION AGENCIES. PART 1, EA 001 170, SUBTITLED "ANALYSIS AND PROPOSALS," CONTAINS AN OUTLINE OF THE NEED FOR A MANAGEMENT SYSTEMS COMPLEX WITHIN EACH STATE EDUCATION AGENCY. THIS DOCUMENT IS A MANUAL PRESENTING THE PROPOSED ACCOUNTING SYSTEM UNDER 12 OPERATIONAL HEADINGS--(1) THE PURPOSE, USE, AND CONTROL OF THE MANUAL OF ACCOUNTING AND PROCEDURES, (2) THE PURPOSE AND GENERAL NATURE OF THE ACCOUNTING SYSTEM, (3) THE ORGANIZATION FOR FINANCIAL ADMINISTRATION, (4) THE BUDGET PLAN, (5) THE NATURE AND RELATIONSHIP OF GENERAL LEDGER ACCOUNTS, (6) ACCOUNTING RECORDS AND REPORTS, (7) THE EFFECT OF VARIOUS ACCOUNTING TRANSACTIONS UPON THE SYSTEM, (8) ACCOUNTING FOR APPROPRIATIONS AND ALLOCATIONS, (9) ACCOUNTING FOR REQUISITION, ENCUMBRANCES, AND EXPENDITURES, (10) ACCOUNTING FOR OTHER TRANSACTIONS--VOUCHERS PAYABLE, PAYROLLS, RESTRICTED RECEIPTS, AND PRIOR-YEAR ENCUMBRANCES, (11) POSTING TO THE GENERAL AND SUBSIDIARY LEDGERS, AND (12) CLOSING PROCEDURES. (HW)

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PROGRAM-ORIENTED INFORMATION

PART II.

MANUAL OF ACCOUNTING AND RELATED FINANCIAL PROCEDURES

A Management Systems Complex For State Education Agencies

Prepared for the Maryland State Department of Education

1966

Public
Administration
Service

CHICAGO
ATLANTA
SAN FRANCISCO
WASHINGTON

EA C01 171

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

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This manual is the second publication in a series entitled, Program-Oriented Information: A Management Systems Complex for State Education Agencies. It has been prepared by Public Administration Service, a nonprofit institution engaged to provide technical services to this project, under the general guidance of the project director. The project director also cooperated in the development of systems concepts and reviewed the final contents of the manual.

Mr. Ronald Zechman has been the principal field representative of Public Administration Service assigned to the project, receiving assistance from other Public Administration Service staff members: James B. Douglas, James Enright, Ike Nooe, Michael A. Meriwether, Kenneth F. Sheehan, and Stuart Steinberg. Mr. Theodore Sitkoff, PAS Headquarters Representative, has reviewed the work.

A "General Project Summary" follows this introduction. This summary provides the setting for this manual as it describes Part I, Analysis and Proposals, the first publication of this series. In short, this manual provides the mechanism to accomplish the objectives established by the management information system.

Burton Dean Friedman
Project Director

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GENERAL PROJECT SUMMARY

This document is the second part of a report: Program-Oriented Information: A Management Systems Complex for State Education Agencies. Part I bears the subtitle, "Analysis and Proposals," and it contains an outline of the need for a management systems complex within each state education agency.[1] The mutually interdependent components of a management systems complex must provide for planning, programming, budgeting, accounting, and reporting needs. All components must be operative in order for any of them to be utilizable in full.

In "Analysis and Proposals," it is proposed that a systems complex should provide for both program- and responsibility-oriented aspects of these integrated management processes. "Program-oriented" aspects of the systems are designed to describe and quantify agency operations in terms of their substantive, purposive content. "Responsibility-oriented" or "organization-oriented" aspects of systems are designed to do so in terms of the administrators or the organizational units responsible for the conduct of each "bit" of program.

A "bit" of program, in this context, is a project, program, subprogram, task force, team, activity, etc.--in short any substantive segment of the work for which the agency deems it useful to segregate costs. Each such segment of program is recognized in the accounts as a "cost center." The cost center is the building block--the lowest common denominator, so to speak--of which an agency's total program or total budget is constructed.

It is proposed that each cost center shall be descriptively coded in various ways to facilitate classification and reporting.

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[1] An abstract of "Analysis and Proposals" is presented in this volume.

For example, a cost center can be described in terms of the grade level to which it is oriented, the subject matter with which it deals, or the clientele to which the work is directed. Each basis for description is termed a "dimension." For each dimension, a limited set of "categories" is provided. Every cost center is coded to indicate its categorization within each dimension. All cost centers therefore can be grouped and regrouped, on the basis of their several categorizations, to permit the summary, analysis, and reporting of data related to them. If it is necessary to indicate the extent to which the agency's work is oriented to the elementary grades, for example, the pertinent data can be obtained by summarizing all cost centers which, with respect to the dimension "level of instruction," have been coded "elementary."

The proposed dimensions are: program function (a USOE coding pattern); function; level of instruction; clientele; purpose; subject matter; longevity of account; and "program." It is proposed that the first six of these parameters be utilized in common by all state education agencies. The latter two are intended exclusively for internal use within one agency. Proposed codes are presented and discussed in Appendix A of "Analysis and Proposals," and the codes are reproduced in this volume.

It is proposed that the total of expenses for each cost center shall be accumulated separately in the agency's records. Program-oriented financial reports then will become readily available in a variety of formats and in terms of a variety of "dimensions." All such reports will be useful to each agency's own internal management. Many such reports will be useful in the exchanges of program-oriented data between and among the many educational enterprises that either generate or utilize such data. The six dimensions proposed for uniform use by all state educational agencies provide six "common languages" into which each agency may translate its own internally generated information.

In the earlier volume, "Analysis and Proposals," attention is addressed primarily to the information problem: the relationships between the reporting of program-oriented information on the one hand and related management systems on the other; the need for common languages in which to express such program-oriented information; and the concept of cost centers that are translatable into such common languages. In nontechnical terms, attention also is addressed to the concept of "single fund accounting" and to the device termed a "funding plan." The use of single fund accounting is proposed as a most useful, convenient, and advantageous means to (1) make it possible for the expenditure "side" of the agency's accounts to generate both program- and responsibility-oriented data and (2) make it possible to establish explicit and clear links between revenue and expenditure sides of the budget.

In this second volume, attention is directed more explicity to "what to do" and "how to do it" aspects of accounting. This relatively nontechnical introduction contains descriptive and explanatory material. The body of the report comprises an accounting manual per se.

The manual is a technical document. It prescribes an accounting system and a system of accounts. It is intended specifically for use by the Maryland State Department of Education, and it is unlikely that the manual could be adopted in toto for use within another state education agency. However, it is intended that the Maryland manual might be regarded as a prototype that other agencies might adapt readily for their own use.

The phrase "system of accounts" is intended to refer to the structure of the "chart of accounts," i.e., to the choice of accounts to be established and utilized. The phrase "accounting system" is intended to refer to the clerical, mechanical, and other procedures established to govern the design and flow of accounting documents and accounting operations.

The Accounting Problem

The accounting system must record the diverse transactions and show the financial condition of the enterprise. All financial data must be recorded in consistent and intelligible fashion. All financial data must be classified so that they can be summarized conveniently in meaningful reports, and so that management can use them in exercising various controls. Management of an enterprise cannot develop valid policies unless necessary data are recorded, classified, brought together, summarized, reported, and analyzed. Data must be available in consolidated forms, in isolated form, and in a variety of intermediate summaries.

These requirements suggest that key aspects of the entire systems complex must be characterized by (1) completeness and (2) centralization. In order to be utilized most meaningfully, data must be complete and must be seen as a single, integrated whole. This is not to say that all accounting operations must be centralized; however, this does require that the results of all accounting be available centrally in compatible form; hence, this does require central control over prescriptions governing the accounting system and the system of accounts.

Accounting must record the day-to-day fiscal transactions of the enterprise. Accounting must provide for preaudit and accounting controls over the execution of the budget. Accounting must furnish facts essential to intelligent planning, not just financial planning, but substantive planning of programs. Accounting must reflect the financial position of the enterprise, i.e., must reveal the over-all economic condition of the agency. Accounting also must reveal the financial operations that represent the conduct of the agency's program of operations, i.e., must state the cost of each segment of operations.

The portion of accounting that indicates the condition of an enterprise is a low-volume task; it is accomplished by professional accounting personnel who deal with greatly condensed summary information.

The portion of accounting that records and reflects operations of the enterprise is a high-volume task; most of it may be performed by clerical personnel who deal with routine transactions in standardized and largely judgment-free procedures. The bulk of this task is comprised of accounting for execution of the expenditure "side" of the operating budget: allocations and their judgment; commitments and their fulfillment; and payments and their occasional refund. This is the area of accounting preaudit, budgetary controls, and disbursements related to the large number of small and repetitive transactions; e.g., purchases, salaries, wages, travel and expense vouchers, rental payments, payments for utilities, postage and other communications, repair and other services, and a host of other ordinary items of expenditure.

Each transaction is dealt with individually, to be sure, but a very limited number of types of transactions can be identified. Once satisfactory provision is made for each type of transaction, the financial aspects of most operations can be dealt with quickly and easily; one major advantage of bureaucracy, of course, is that once procedures are established, routine matters can be disposed of in an almost automatic fashion. The problem is to identify matters that are not routine and to have professional talents available that can deal with the exceptional case as readily as established procedures can deal with the ordinary.

Expenditure Accounting

Every transaction that affects the expenditure side of a budget is of legitimate interest to several persons within the enterprise: (1) to accounting, purchasing, and other "service" units responsible for one or more steps in the procedure for completing the transaction; (2) to personnel of the organizational unit on behalf of which the transaction is made; and (3) ultimately, in summaries, to the management of the enterprise.

The service units (e.g., accounting, preaudit, purchasing) review or perform some operation upon each transaction, no matter which organizational unit or which "bit of program" is affected by the transaction. Similarly, management units (e.g., a budget office) may exercise surveillance over all transactions or over selected classes of transactions. The "information system" aspects of accounting therefore must be built into even the most routine procedures, i.e., accounting procedures must be designed to provide all needed information to the service and management units.

An expenditure transaction is of interest also to persons whose operations are affected or reflected by the transaction, i.e., to persons who administer organizational units of the enterprise or who direct "bits of program" that are recognized as cost centers. Such persons need not (and probably ought not) perform accounting operations. They do need, however, to know of every transaction that affects the accounts that represent their organizational units and activities. For their benefit, "information system" provisions must be built into accounting procedures.

These points are readily illustrated:

Example One. Management decides to allocate added funds to an ongoing project. The increase in allocation becomes an accounting transaction at the same time that it becomes a welcome piece of news to the person responsible for conduct of the project. If procedures, forms, accounting, and reporting are genuinely integrated into the management systems complex, the budget office can originate a document that (1) informs all parties concerned and (2) causes the proper entries to be made to accounting records. Also, still assuming an integrated management systems complex, the responsible administrator, alerted to the fact of an increased allocation, will expect to receive an accounting statement indicating that the increase has been posted to his account; he need not keep a set of books to know the day-to-day status of his account; he need only review and file the statements prepared for him by an accounting unit.

Example Two. The head of a project prepares a requisition asking that certain services, supplies, or equipment be purchased for project use and specifying that the expense be charged to a project account. Competent buyers make arrangements for the purchase and write a purchase order. The accounting office reviews the order to make certain of its legality and propriety, to determine that it is in fact a legitimate charge against the project account indicated, and to ascertain whether the indicated account holds resources sufficient to meet the expense when payment becomes due.

If all is well, the order is posted to the account as an "encumbrance," i.e., as a commitment that is expected to ripen into a liability that will require a payment to be made; a portion of allocated resources sufficient to meet payment is reserved for that future use. The order is sent to the vendor. An accounting statement is supplied to the responsible administrator indicating that the order (copy of which accompanies the statement) has been recorded and showing the effect of that order upon the current condition of the account to which the order is charged.

Later, the vendor delivers the merchandise to the project office and submits an invoice to the accounting office. Personnel of the project check the contents of the delivery; if all is well, they submit a receiving report to the accounting office. On the strength of the original order plus the invoice and the receiving report, the accounting office initiates payment, records new entries to the accounts (liquidating the encumbrance and recording the payment), and issues new statements. The project administrator, without doing any bookkeeping, remains fully informed of the status of "his" accounts.

One major ingredient in the accounting system, accordingly, is comprised of the arrangements that enable an accounting office to furnish current information to each responsible administrator--quickly, concisely, and accurately--regarding the condition of each account for which the administrator is responsible and identifying explicity the reason for every transaction posted to each such account. In this very basic sense, an accounting system is an information system. By maintaining copies of statements and copies of documents in file, an administrator can know the status of his allocation balances without engaging in memorandum accounting.

The combined record of all allocation accounts, similarly, is an information source for management of the enterprise. By classifying, grouping, consolidating, and otherwise manipulating accounting data, an accounting unit can contribute detailed and summary information regarding both the current operations and the condition of the enterprise.

The Accounting Office

In the Maryland State Department of Education, accounting and related tasks are centralized within the Division of Audits and Accounts.

That accounting division is responsible for seeing that fiscal data are recorded, that necessary controls are exercised, and that reports are prepared regularly and promptly.

Accounting transactions are originated by actions taken throughout the agency. Documents that represent the transactions are submitted to the accounting division even when they are not initiated by that division. The accounting division may initiate, review, audit, edit, and code each document. It must then:

1. Group similar documents into "batches."
2. Maintain controls over the batches.
3. Route the documents to the data processing units which actually post most transactions to ledgers of accounts.
4. Ascertain that the transactions have been posted to the accounts and that all work is in balance.
5. File and distribute copies of transaction documents and machine-written statements.
6. Post summary entries to general ledger control accounts.
7. Develop accounting reports, statements, summaries, or analyses.

The large-volume tasks of expenditure accounting are readily adaptable to assembly line methods. Regular work schedules are established and maintained so that postings may be made daily at the hour when machine time is available to the accounting division; definite "cutoff" times are set for the completion of scheduled operations. Each batch of work follows prescribed routes as it is prepared for posting to the accounts, posted, and filed and distributed.

Daily entries (in summary form) to the control accounts in the general ledger are few in number. As prescribed in this manual, those entries would be made manually within the accounting division rather than mechanically or electronically as a computer task. Similarly, some financial statements, reports, studies, and analyses will be developed manually by the professional staff of the accounting division, although the great bulk of regular, recurring, routine accounting statements and reports will be produced by data processing equipment in accordance with standardized programs and schedules.

For example, a statement of account operations is produced automatically, as a part of each complete cycle of machine postings to the "expenditure side" of the agency's budgetary accounts, for each account to which one transaction or more is posted during the machine "run." As planned for the Maryland State Department of Education, a "complete cycle" will occur each week, and subcycles will be completed daily. Specifically, a statement of account operations for a responsibility-oriented account (i.e., representing an organizational unit) will be produced each day on which the account has activity. A similar statement for a program-oriented account (i.e., representing a cost center) will be produced at the close of each week during which the account has activity. Similarly, trial balances of the responsibility- and program-oriented ledgers of budgetary accounts will be prepared automatically at the close of each weekly or daily cycle or subcycle.

On the other hand, many statements and reports will be developed manually by professional members of the accounting staff, on the basis of data drawn from the computer-supported, day-to-day routinized accounting operations. These will include many of the reports that must be developed regarding the disposition of limited use moneys received from the national government or other grantors. These also may include analyses of the Department's funding plans. As time goes by, however, it should become increasingly feasible to reduce many such tasks to formulas that can be programmed for computer-supported, automatic operations.

System of Accounts

This manual incorporates the single fund concept of accounting, the case for which is discussed at length in the "Analysis and Proposals" section of this report. All moneys for current operations--regardless of source or purpose--are accounted for within one fund. Within a revenue ledger, a separate account is maintained to reflect the amounts received (or expected to be received) from each major source. Within an allocation and expenditure ledger, a separate account is maintained to reflect the amounts allocated to each budgetary item, as well as the portions of such amounts that are encumbered or expended. Within a general ledger, accounts are maintained to control and to summarize these subsidiary ledgers, and to indicate at all times both the financial condition and the totals of financial operations of the Department.

The allocation and expenditure ledger is subdivided in several ways: to differentiate authorizations made during the current year from those made during prior years; to differentiate the allocations made available to organizational units from the suballocations made available for the support of cost centers; to differentiate the amounts allocated (or expended) for each object of expenditure; for each budgeted item, to maintain an explicit relationship between the amounts allocated, encumbered, expended, and available, thereby maintaining complete budgetary controls designed to prevent overcommitments of resources; and to provide both detailed and summary information regarding the several organizational units, cost centers, and objects of expenditure, both individually and in various combinations.

The system of accounts prescribed in this manual is based upon the modified accrual method of accounting, in which revenues are recorded when estimated, but are not considered to be available for use until and unless they actually are received and deposited, and in which moneys are deemed to be expended as soon as a genuine liability is created. In general, this is a conservative method of accounting.

Thus, sums appropriated to the Department by the state legislature are deemed to be available for use when appropriated. Sums to be received from other sources (herein termed "augmentations") are budgeted but are not deemed to be available until they have been received. In nontechnical language, a distinction is drawn between "nominal" budgetary accounts and "real" accounts. The budget--as a plan of departmental operations--is recorded in nominal accounts; neither commitments nor expenditures can be authorized, however, until "real" resources become available. Control accounts in the general ledger are utilized to prevent commitments and expenditures in excess of such real resources; nominal accounts within the allocation and expenditure ledger also serve this purpose.

Multifund account structures are created to maintain explicit and clear relationships between (1) moneys that are available only for restricted uses and (2) the commitments or expenditures that are charged to such moneys. The single fund system accomplishes the same end but does so with accounts within one fund rather than with many funds. In those cases in which restricted moneys are involved, program-oriented cost center accounts within the allocation and expenditure ledger are keyed to each such item of restricted-use resources. Where several sources of moneys provide overlapping support for a single cost center, the overlapping relationships are made explicit in a funding plan. Each expenditure can be related explicity to a particular source of financial support.

The effort has been made to design a self-contained accounting system capable of rendering to the state education agency whatever services may be required of it: to record the budget; to record commitments and expenditures; to generate reports; to reflect the result of operations and the condition of the enterprise. If it were necessary or convenient, the system described could be modified to include the preparation of checks and check registers, reconciliation of bank accounts, and other tasks frequently assigned to an agency's systems of financial management.

In Maryland's state government, several major aspects of financial management are largely centralized. All agencies--including the Department of Education--are served by central purchasing, disbursing, and related units. The procedures incorporated in this manual are designed to accommodate to that situation.

Several modifications would be made if Maryland were to adopt a less centralized system. Those modifications would be necessary if this manual were to be used by the state education agency of a state--e.g., Pennsylvania--in which major financial services are substantially decentralized. For example, if the agency were to issue its own purchase orders, without the intervention of a central state procurement office, there would be little or no reason to record requisitions in the accounts; provisions of this manual regarding the accounting for requisitions could be ignored. Similarly, if the agency were to make its own disbursements, it would be necessary to write checks and check registers, rather than registers of vouchers payable; this manual would have to be amended to provide for these tasks, and a bank reconciliation procedure could be substituted for the vouchers payable routines.

B. D. F.

0100 INTRODUCTION

This section describes the purpose, use, and control of the manual of accounting and procedures.

0110 Use of the Manual

Supervisory personnel and other employees concerned with the budget, accounting, and other fiscal operations of the Maryland State Department of Education should use this manual for reference to procedures and rules directly affecting their work and the work of the unit to which they are assigned. The manual serves as a means of orienting and training new employees in their duties and responsibilities and in the general functions and objectives of financial administration.

0120 Scope of the Manual

This manual relates primarily to the Department's accounting for transactions that are entered in revenue, budgetary, operating, and balance sheet accounts, but does not immediately extend to the special aspects of payroll, stores, or fixed asset accounting.

0130 Control of Manual

The Chief of Accounts and Audits in the Division of Administration and Finance is responsible for the maintenance of the manual. Amendments to any section of the manual are approved by him. He supervises distribution of the manual and amendments thereto.

When revised pages of the manual are received from the Chief of Audits and Accounts, the old pages are to be removed and new pages inserted. Changes are numbered serially, and a record of changes is maintained by the Chief of Audits and Accounts.

0200 PURPOSE AND GENERAL NATURE OF THE ACCOUNTING SYSTEM

The system of accounting for the Maryland State Department of Education is designed as a prototype system of accounting for eventual use by other state educational agencies throughout the United States.

The system is designed to provide the following:

1. Program-oriented financial information for internal management.
2. Categorization of financial information for use in connection with interagency exchanges.

In order to establish a uniform "basic system of financial reporting" for state education agencies, it is essential that such agencies maintain program-oriented systems of budgeting, accounting, and financial reporting. To facilitate emphasis on the program orientation, the single fund concept of accounting is employed. All sources of revenue and expenditures, dealing with current operations, are combined into one set of self-balancing accounts. Detailed revenue and expenditure accounts are subject to multiple coding to facilitate "translation" of financial data into standardized program-oriented formats.

0210 Single Fund Concept

The primary activities of the Maryland State Department of Education are financed by appropriations from the State's general fund and by federal grants received from the U. S. Office of Education. These appropriations and grants are accounted for in one combined set of self-balancing accounts. These accounts are under control of a set of self-balancing general ledger accounts maintained by the State Department of Education.

By combining general fund appropriations and revenues from other sources into one set of self-balancing accounts, financial reports can be generated from the system to provide management with useful and complete information. It also eliminates the need for maintaining a separate set of self-balancing accounts for each type of revenue by source.

0220 Cost Centers

Program-oriented financial information is derived primarily from the budgetary accounts established for each cost center. A cost center is the smallest "building block" in the structure of the Department's total program. Cost centers have not been designed to be uniform among the state educational agencies; however, the classification and grouping of cost centers on the basis of uniform "dimensions" and "categories" does provide uniform financial information for departmental use and in connection with interagency exchanges.

0230 Accounting for Transactions

The media for posting pertinent information to the accounting records are transaction documents. These documents fall essentially into five general groups: (1) requisition documents, (2) encumbrance documents, (3) expenditure documents, (4) revenue and receipts documents, and (5) internal transfer documents.

The responsibility for preparing these documents varies, but, in all instances, the documents pass through the Division of Audits and Accounts in the State Department of Education for preaudit and posting to subsidiary ledgers in accordance with the established methods described in this manual. The accounting information derived from the transaction documents is produced and maintained by means of automatic data processing equipment.

0300 ORGANIZATION FOR FINANCIAL ADMINISTRATION

Primary responsibility for the Maryland State Department of Education financial plan is shared among the Governor, Comptroller of the Treasury, State Treasurer, Department of Budget and Procurement, Board of Public Works, Board of Revenue Estimates, and the State Auditor, in addition to the State Department of Education.

0310 Governor

The Governor must submit a budget for the ensuing fiscal year to each annual session of the General Assembly. The responsibility for preparing and administering the annual budget is assigned to the Department of Budget and Procurement.

0311 Department of Budget and Procurement. The Department of Budget and Procurement is a staff agency to the Governor and is headed by a director of budget and procurement who is the Governor's chief budget and financial advisor. The department is divided into two bureaus, budgeting and procurement.

> 0311.1 The Budget Bureau. The Budget Bureau, headed by a chief, is responsible for preparing and administering the budget programs and financial requirements of the State.
>
> 0311.2 The Purchasing Bureau. The Purchasing Bureau, headed by a chief, purchases supplies, materials, and equipment for use by state agencies.

0320 Treasury Department

The Treasury Department, established by the Constitution, is headed by a comptroller of the treasury and a treasurer.

0321 Comptroller of the Treasury. The Comptroller of the Treasury, an elected official, is responsible for the following duties:

1. General superintendent of fiscal affairs.
2. Planning and management of revenues and support of public credit.

3. Accounting for revenues and expenditures.
4. Preservation of accounts and prescribing accounting forms.
5. Financial reporting.
6. Collection of taxes and other revenues.

0322 State Treasurer. The State Treasurer, appointed by the legislature, is responsible for the following functions:

1. Receiving, depositing, disbursing, and accounting for all state cash accounts.
2. Investing temporary surplus cash.
3. Custodian of securities.
4. Providing for interest payments on state-funded debt and the redemption of bonds at maturity.

0330 State Auditor

The State Auditor, appointed by the Governor, is responsible for the audit of all state agencies and submits reports of audits to the Governor and the Comptroller of the Treasury.

0340 Board of Public Works

The Board of Public Works is composed of the Governor, Comptroller of the Treasury, and the State Treasurer. The responsibilities of the Board are as follows:

1. Supervision of public works in which the State is a stockholder or creditor.
2. Regulation and supervision of certain state operations and fiscal practices as empowered by law.
3. Approval of supplemental appropriations.
4. Supervision of state appropriations for activities not allocated to specific agencies.

0350 Board of Revenue Estimates

The Board of Revenue Estimates consists of the Comptroller of the Treasury, State Treasurer, and Director of Budget and Procurement. The Board is responsible for submitting to the Governor a statement of anticipated revenues for the ensuing fiscal year.

0360 State Department of Education

The State Department of Education is administered by a State Board of Education. The seven members of the Board are appointed by the Governor for a term of seven years. The State Board of Education is responsible for approving the Department's budget request before it is submitted to the Governor through the Department of Budget and Procurement. The State Board of Education appoints a state superintendent to direct and execute the policies and regulations adopted by the Board.

0361 Division of Administration and Finance. The Department's Division of Administration and Finance is headed by an assistant superintendent. This division is responsible for administering the state programs for state aid, public school transportation, school plant planning, and school lunch.

0361.1 Division of Audits and Accounts. The Division of Audits and Accounts is headed by a chief of audits and accounts. The responsibilities of the division include the following:

1. Preparing and administering the budget for the Department.
2. Maintaining the accounting records for the Department.
3. Distributing funds to local school systems.
4. Providing audit and fiscal advice to local school systems.

0400 THE BUDGET PLAN

This section describes the budget cycle of the State Department of Education and the internal budgeting controls used to administer the budget. Prior to the beginning of the fiscal year, the Superintendent of the State Department of Education is required to submit estimates of money required to finance the education program to officials of the State for their review and approval.

0410 State Budget Review and Approval

The Department submits estimates of the budget plan to the State Director of Budget and Procurement, indicating:

1. The amounts available from:
    a. The state general fund appropriations.
    b. The grants from the U. S. Office of Education.
    c. All other sources including foundation grants and contributions.
2. The money required to operate the various organizational units of the Department during the fiscal year. No resources are available for commitment or expenditure until they have been reviewed and approved by the State Director of Budget and Procurement.

0420 Allocation of Resources by the State Director of Budget and Procurement

The allocation process involves the apportioning of each appropriation, including the specific appropriation and estimated augmentations (revenues anticipated from the U. S. Office of Education and other agencies), according to organization and object of expenditure. Allocations are developed at the beginning of the fiscal year on the basis of expenditures anticipated to be made during the fiscal year.

The number of allocations within an appropriation is determined by: (1) the scope and variety of identifiable organizational units and (2) the desirability of exercising formal budgetary control over these component units.

At the beginning of the fiscal year, the Superintendent of the State Department of Education submits estimates to the State Director of Budget and Procurement for the fiscal year according to the organization classification and objects of expenditure shown in Charts 3 and 4. These estimates, when approved, become the allocations and establish the expenditure pattern for the fiscal year.

0421 Suballocations by the State Department of Education. Since the Department requires budget control in a greater degree than that furnished by the allocation accounts required to control the state budget plan, the Department's Chief of Audits and Accounts maintains "suballocations" by cost centers.

Allocation estimates submitted for approval by the State Director of Budget and Procurement may not be amended except in the regular manner described in Section 0450. The "suballocations," however, have the status of department records and thus are not subject to central budget control.

0422 Relation of Allocations and "Suballocations" to Federal-State Matching Plan. In developing allocations and "suballocations" requests, the Superintendent of the State Department of Education must take cognizance of the federal-state matching pattern (if any) for each organization and cost center.

0430 Classification and Coding of Budgetary Accounts

Within the accounts of Maryland state government, the code number for the general fund is 01. The code number for the State Department of Education is 04. The code numbers for the several objects of expenditure are shown in Chart 4.

0431 Appropriation Accounts. State appropriations to the Department of Education are identified by the seven-digit number as follows:

Fund	Department	Appropriation	Year
01	04	XX	X

The appropriation number identifies in numerical sequence the appropriations made to the State Department of Education. The year code derives from the last digit of the fiscal year; e.g., 7 is used for appropriations enacted by the legislature for the 1966-67 fiscal year.

0432 Allocation Accounts. The complete seven-digit appropriation number plus four additional digits are used as the account code to identify the allocations as follows:

Fund	Department	Appropriation	Year	Organization	Object of Expenditure
01	04	XX	X	XX	XX

The two-digit organization code identifies the organizational unit to which the allocation is made. The final two digits identify the objects of expenditure.

0433 "Suballocation" Accounts. The "suballocation" accounts are identified by a three-digit cost center code as follows:

Fund	Department	Appropriation	Year	Organization	Object of Expenditure	Cost Center
01	04	XX	X	XX	XX	XXX

0434 Use of Account Codes. The State Department of Education utilizes these numbers on all transaction documents and on all "business" correspondence routed through the central financial agencies of the State.

"Internal" documents of the State Department of Education may be prepared without the fund and department codes. Each document to be posted to the allocation and expenditure ledger is identified by the proper allocation and suballocation account code. Space is provided on all transaction documents for entry of the proper type of code.

0440 Submission and Approval of Allocation Requests

Immediately after the Governor's approval of the appropriation acts, the Department prepares a schedule of allocations for each appropriation. The schedules are submitted to the State Director of Budget and Procurement for review and approval. Approved schedules are returned to the

Department's Division of Audits and Accounts. The amounts spproved are posted to the Department's appropriation ledger and to its allocation and expenditure ledger.

0441 Submission of "Suballocation" Requests. On the basis of approved allocations, the Department prepares schedules of suballocations. Suballocations are an internal matter of the Department and do not require further approval. However, the total of each group of suballocations must equal the controlling allocation previously approved. After review for this arithmetic relationship, the Division of Audits and Accounts posts the schedules of suballocations to the allocation and expenditure ledger. The amounts posted to the suballocation accounts thus constitute the detail for the amounts posted to the corresponding allocation accounts of the allocation and expenditure ledger.

0450 Amendments of Allocations

In order to increase the balance of an allocation account, an allocation amendment must be prepared and submitted to the State Director of Budget and Procurement for approval.

0451 Amendments of "Suballocations." When an allocation is amended, the related "suballocation" accounts must be amended also. Space is provided on the allocation amendment for the "suballocation" codes.

0460 Appropriation Augmentations

Estimates of available resources, in terms of appropriations and allocations, are determined on the basis of the specific state appropriation plus the amount of estimated authorizations. The Department must account for these total estimated authorizations and, at the same time, must exercise control to keep commitments and expenditures of such authorizations within the limits of a specific appropriation plus actual credits. Special procedures are required for these tasks.

0461 Allocations. When the schedules of allocations are prepared, the amount of the specific appropriation as well as the amount of the estimated augmentations are shown. Allocations are approved in the total amount, i.e., the specific appropriation plus the estimated credits.

When the schedules of allocations have been approved, the individual allocations are recorded in the appropriation ledger and in the allocation and expenditure ledger. In addition, an allocation subcontrol account is established for the allocations within each appropriation which is augmented.

0470 Developing and Administering Funding Formulae

The Division of Administration and Finance, acting for the Superintendent of the State Department of Education, is responsible for developing and administering each state-federal-other funding plan. In support of each "suballocation" request, the division must prepare a funding formula which discloses the sources (e.g., state appropriations, federal grant-in-aid, foundation grants) that finance each "suballocation." The funding formulae must be made available to the Chief of Audits and Accounts for use in preparing federal and state reports.

0471 Amending Funding Formulae. The Division of Administration and Finance, acting for the superintendent, may change the funding formulae at any time during the fiscal year. A restatement of the funding formula or a statement of the new funding formula must accompany each "suballocation" amendment.

0472 Full Utilization of Federal Grants. The primary purpose in permitting the Division of Administration and Finance to develop and amend the funding formulae is to insure the most advantageous utilization of all grants. Any unexpended or unencumbered federal grant must be encumbered as part of the reserve for prior year encumbrances at the end of the fiscal year. The balance thus reserved either must be returned to the federal government or transferred to the new fiscal year and accounted as part of the new federal grants-in-aid.

Chart 1

FLOW OF BUDGET REQUEST DOCUMENTS WITHIN THE STATE DEPARTMENT OF EDUCATION

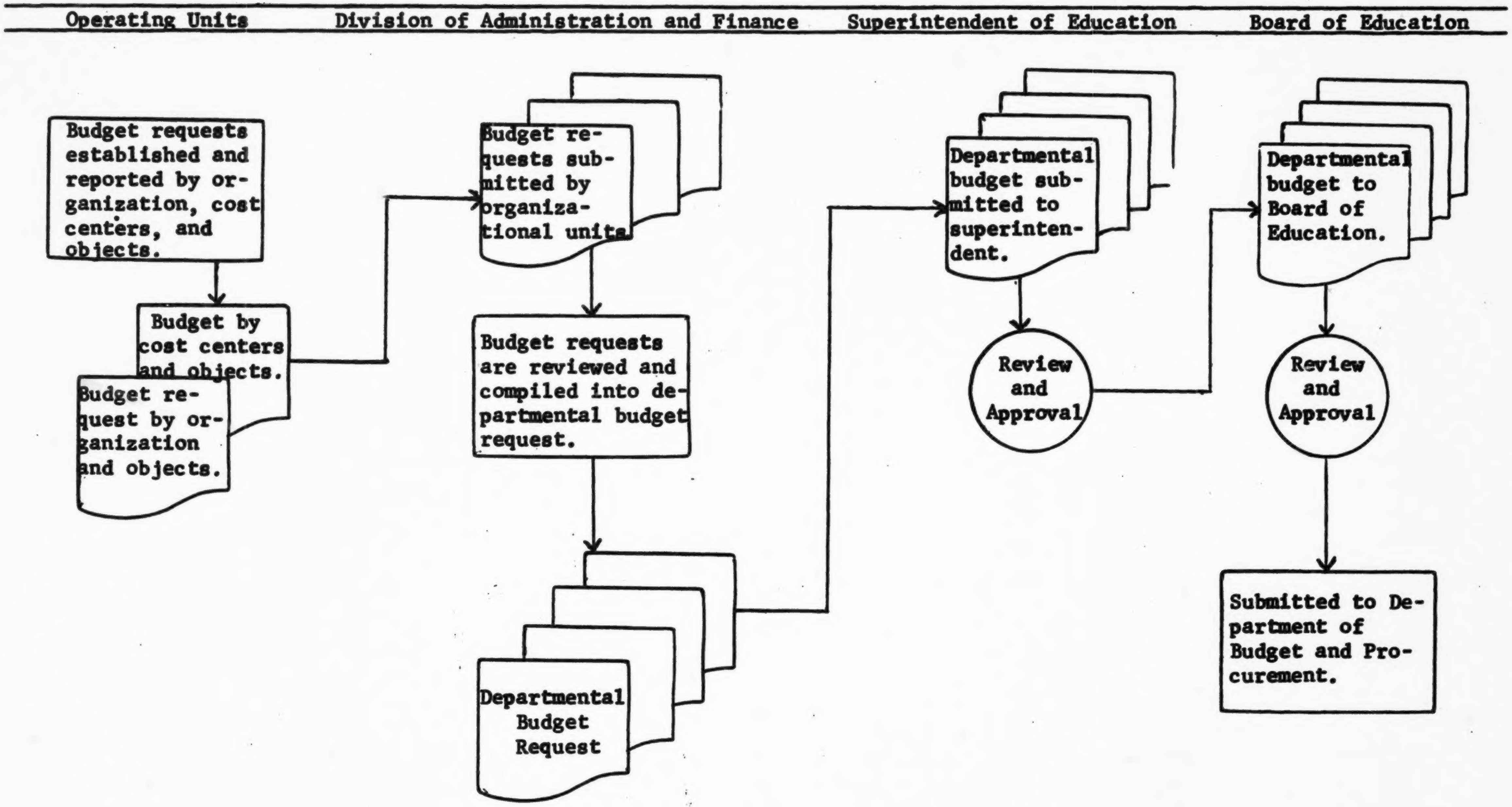

Operating Units
Division of Administration and Finance
Superintendent of Education
Board of Education
Budget requests established and reported by organization, cost centers, and objects.
Budget by cost centers and objects.
Budget request by organization and objects.
Budget requests submitted by organizational units.
Budget requests are reviewed and compiled into departmental budget request.
Departmental Budget Request
Departmental budget submitted to superintendent.
Review and Approval
Departmental budget to Board of Education.
Review and Approval
Submitted to Department of Budget and Procurement.

Chart 2

GENERAL FLOW OF BUDGET REQUESTS

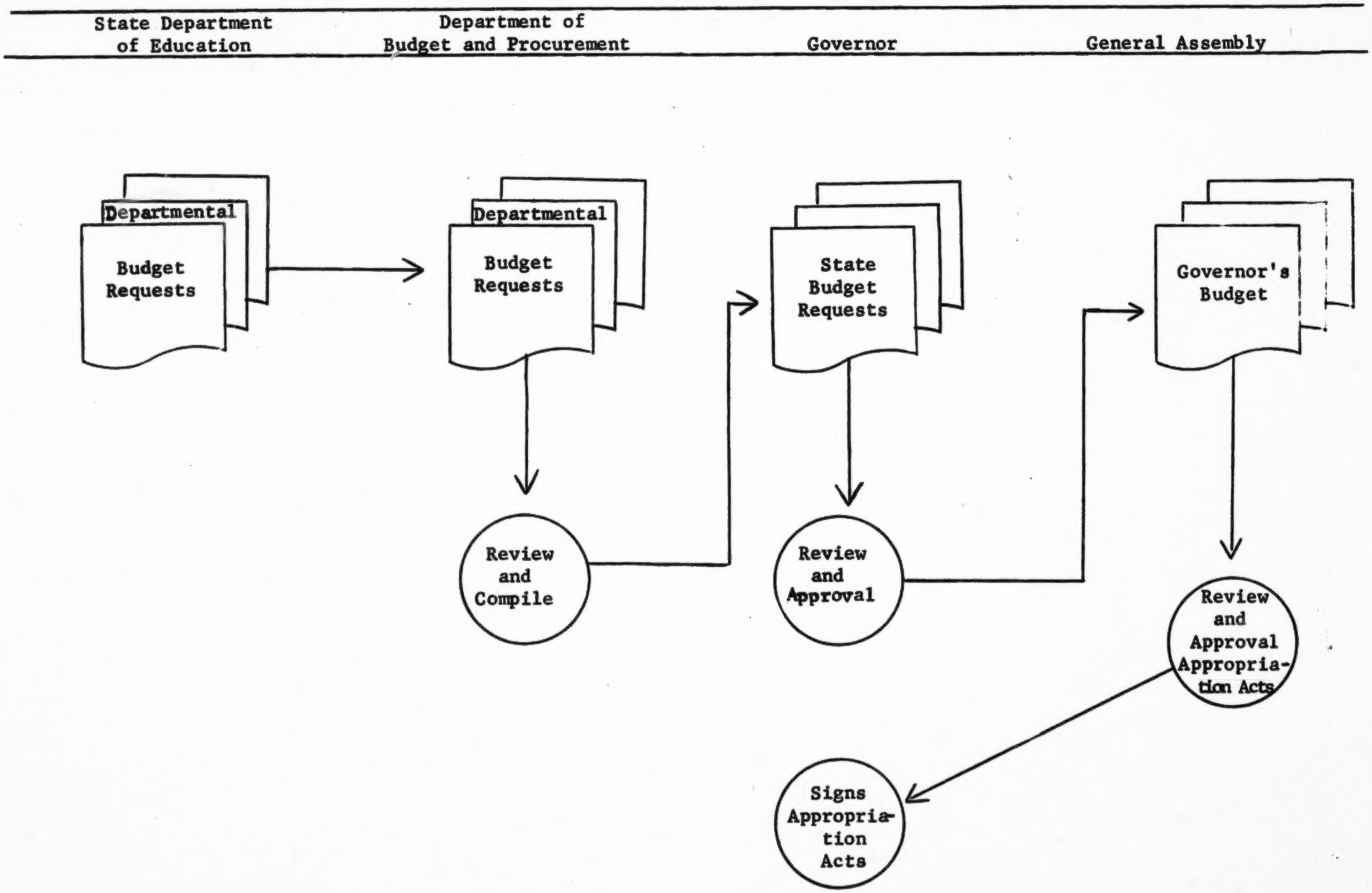

State Department of Education
Department of Budget and Procurement
Governor
General Assembly
Departmental Budget Requests
Departmental Budget Requests
Review and Compile
State Budget Requests
Review and Approval
Governor's Budget
Review and Approval Appropriation Acts
Signs Appropriation Acts

Chart 3

ORGANIZATION CODES
MARYLAND STATE DEPARTMENT OF EDUCATION

01 State Board of Education

02 State Superintendent of Education

03 Division of Administration and Finance

04 Division of Library Services

05 Division of Vocational Education

06 Division of Instruction

07 Division of Federal-State Relations

08 Division of Vocational Rehabilitation

09 Division of Certification and Accreditation

10 Division of Research and Development

Chart 4

CLASSIFICATION OF EXPENDITURES BY OBJECTS

Salaries and Wages

01 Salaries and wages

Operating Expenditures

02 Technical and special fees
03 Communications
04 Travel
05 Food
06 Fuel
07 Motor vehicle operations and maintenance
08 Contractual services
09 Supplies and materials

Equipment

10 Equipment--replacement
11 Equipment--additional

Grants, Subsidies, and Contributions

12 Grants, subsidies, and contributions

Fixed Charges

13 Fixed charges

Land and Fixtures

14 Land and fixtures

0500 NATURE AND RELATIONSHIP OF GENERAL LEDGER ACCOUNTS

This section describes the nature and relationships of the general ledger accounts which control the financial transactions of the State Department of Education. (Appendix I contains a detailed description of each of the accounts, the nature of their balances, and the relationship between the general ledger and subsidiary ledger accounts).

0510 Numbering General Ledger Accounts

The general ledger accounts are required to reflect (1) financial condition and (2) status of operations. They are arranged according to type of accounts, i.e., asset and valuation, liability, surplus reserve, operating, and budgetary. Each account is assigned a two-digit number.

0520 Description of General Ledger Accounts

The general nature of the general ledger accounts and the special characteristics of each account are described below. Also, see Chart 5 which follows Section 0500.

0521 Asset and Valuation Accounts. Account 01 Fund Balance reflects the Department's equity in the state treasury. Specific appropriations authorized by the legislature, revenues received, restricted receipts, and refund of expenditures are charged to this account. Vouchers paid and appropriation lapses are credited to this account.

Account 11 Petty Cash Advances is a control account, the balance of which represents the cash advanced by the treasurer for payment of immediate claims.

0522 Liability Accounts. Account 21 Vouchers Payable represents the balance of vouchers submitted for payment for which checks have not yet been issued.

Account 23 Advances from State Treasury reflects the amount of petty cash advanced to the Department for payment of small claims.

0523 Surplus Accounts. Account 31 Reserve for Prior Year Encumbrances is established to cover the eventual liabilities represented by encumbrances outstanding at the close of the prior fiscal year. Account 33 Reserve for Restricted Receipts is a control account for trust and agency moneys; receipts of these moneys are credited and disbursements are charged directly to this reserve.

0524 Operating Accounts. The standard operating accounts are Account 42 Revenue Received and Account 50 Expenditures. Account 42 is a control account which is credited with amounts of cash received except for restricted receipts. Account 50 is charged with all approved expenditures which are chargeable against current appropriations.

0525 Budgetary Accounts. Account 41 Estimated Appropriation Augmentations reflects the unrealized amount of the designated revenues appropriated. "Augmentations" are revenues received from sources other than state appropriations. Account 44 Appropriations represents the amount of moneys available for allocations. This includes specific legislative appropriations plus augmenting revenues received.

Account 45 Allocations is the control account for budgeted funds that are "on hand" and available to the Department for expenditure (i.e., appropriations plus augmentations received).

Account 46 Requisitions records the amount of purchase requisitions submitted for which purchase orders have not yet been issued. Account 47 Reserve for Requisitions is a contra account to Account 46.

Account 48 Encumbrances reflects the amount of commitments made and is credited with their liquidation or cancellation. Account 49 Reserve for Encumbrances is a contra account to Account 48.

0530 Control and Subsidiary Accounts

All of the general ledger budgetary and operating accounts, except Account 61 Budgetary Clearance and the budgetary reserve accounts for requisitions and encumbrances, are supported by subsidiary ledger accounts. For these general ledger accounts, subsidiary accounts are established as follows:

41 Estimated Appropriation Augmentations--one for each source which augments a current appropriation.

42 Revenue Received--One for each source of revenue.

44 Appropriations--One for each appropriation.

45 Allocations--One for each allocation.

46 Requisitions--One for each allocation account.

48 Encumbrances--One for each allocation account.

50 Expenditures--One for each allocation account.

Chart 5

CLASSIFICATION OF GENERAL LEDGER ACCOUNTS

Account Number	Account Name
	Assets and Valuation Accounts
01	Fund Balance
11	Petty Cash Advances
	Liabilities
21	Vouchers Payable
23	Advances from State Treasury
	Surplus Reserves
31	Reserve for Prior Year Encumbrances
33	Reserve for Restricted Receipts
	Budgetary and Operating Accounts
41	Estimated Appropriation Augmentations
42	Revenue Received
44	Appropriations
45	Allocations
46	Requisitions
47	Reserve for Requisition
48	Encumbrances
49	Reserve for Encumbrances
50	Expenditures
	Clearing Accounts
61	Budgetary Clearance

0600 ACCOUNTING RECORDS AND REPORTS

This section describes the records maintained by the Division of Audits and Accounts for the purpose of recording financial transactions. It also describes reports prepared from data appearing within these records. The general nature and purposes of each record and report are explained, but only incidental reference is made to the accounting documents which serve as posting media. These are described in detail in subsequent sections.

0610 Ledgers and Journals

The following ledgers and journals are maintained:

- A. General Ledger
- B. Subsidiary Ledgers
  - 1. Revenue received ledger
  - 2. Appropriation ledger
  - 3. Allocation and expenditure ledger
- C. Other Subsidiary Records
  - 1. Document files
- D. Journals
  - 1. Batch control sheet
  - 2. Journal voucher

0611 General Ledger. The general ledger is the basic accounting record of the Department. In summary form, it contains all transactions, and it controls the various subsidiary records. Summary figures found in the general ledger must balance with the detailed data recorded in subsidiary ledgers.

0612 Subsidiary Ledgers. Three groups of subsidiary ledgers are required for recording transactions relating to the Department. They are:

1. Revenue received ledger
2. Appropriation ledger
3. Allocation and expenditure ledger

0612.1 Revenue Received Ledger. The revenue received ledger consists of a file of machine-produced statements coded by fund and revenue type. This ledger supports the summary entries recorded in general ledger Account 42 Revenue Received.

When revenues are received, they are posted as credits to the respective revenue received accounts.

0612.2 Appropriation Ledger. Each specific expenditure authorization in the form of an appropriation is recorded in the appropriation ledger. The subsidiary accounts of the ledger are controlled by general ledger Account 44 Appropriations.

Postings to the appropriation ledger are made by means of a computer operation; physically, the ledger consists of a file of machine-produced statements coded by fund and appropriation.

At the beginning of the fiscal year, credits to the appropriation ledger are posted from a journal voucher containing (1) the specific amounts authorized by the General Assembly and (2) the estimated augmentations approved. Allocations are posted as debits to the appropriation ledger in order to develop the unallocated balance of each appropriation.

0612.3 Allocation and Expenditure Ledger. Three allocation and expenditure ledgers are maintained for (1) current appropriations, (2) restricted receipts, and (3) prior year encumbrances. Postings to these ledgers, also, are made by a computer process.

0612.4 Current Year Allocation and Expenditure Ledger. Approved allocations are posted as credits to the allocation and expenditure ledger. This credit balance represents the amount available for expenditure. Each object of expenditure to which an allocation is made constitutes a separate subcontrol in the current year allocation and expenditure ledger. A separate account for each object of expenditure within each cost center and organization is maintained. The accounts maintained for the objects of expenditure reflect the detail commitment and expenditure transactions recorded against the ledger. Once an allocation is approved and debited to the appropriation ledger, the amount so approved is credited to the allocation and expenditure ledger. Only this balance is available for commitment and expenditure. To achieve the necessary control, the allocation and expenditure ledger contains not only a record of allocations made, but, also, a record of the requisitions, encumbrances, and expenditures that have been charged against the allocations.

0612.5 Restricted Receipts Ledger. Each type or source of restricted receipts constitutes a separate subcontrol in the restricted receipts ledger. Accounts within the subcontrol consist of objects of expenditure, cost centers, and organizational units.

0612.6 Prior Year Encumbrance Ledger. At the close of a fiscal year, several accounts in the current year allocation and expenditure ledger will contain outstanding encumbrances. For each such account, a separate account is established in the next fiscal year's prior year encumbrance ledger.

0613 Other Subsidiary Records. Various document files are supporting records maintained by the Division of Audits and Accounts. Transaction documents are filed numerically by type of document; i.e., purchase requisitions, purchase orders, miscellaneous orders, etc. See subsequent sections of this manual for a list of transaction documents. Also, see Chart 7.

0614 Journals. There are two types of intermediate accounting records which serve as posting media to the general ledger accounts. These are (1) batch control sheet and (2) journal voucher.

0614.1 Batch Control Sheet. A batch control sheet is prepared daily to effect internal control of accounting documents. Documents approved for posting to the various ledgers are grouped according to their effect; i.e., encumbrances, expenditures, etc. Totals of each document group are entered in the appropriate column of the batch control sheet. Total debits and credits on the batch control sheet are posted to the general ledger.

0614.2 Journal Vouchers. Transactions not reflected on the batch control sheet are summarized on journal vouchers and then posted to the general ledger.

0615 Accounting Reports. This section describes the general nature and purpose of the daily, monthly, quarterly, and annual reports prepared from data appearing within the accounting records. See Appendix IV concerning the formats for the reports described in this section.

0615.1 Daily Report of Allocations and Expenditures. The daily report of allocation and expenditure transactions is prepared by the computer. This report shows opening balances of allocations, requisitions, encumbrances, expenditures, and available balances by cost center, organization, and appropriation. The transactions for the day are listed, and the closing balances of the accounts are reported. This report is prepared in triplicate: the original is sent to the assistant superintendent for administration and finance; the duplicate is retained in the Division of Audits and Accounts; and the triplicate of each segment of the report is forwarded to the appropriate division head.

0615.2 Monthly Trial Balance. At the end of the month, the Division of Audits and Accounts prepares a monthly trial balance of the general ledger. The heading shows the name of the fund--i.e., General Fund--and the date of the trial balance. The columns indicate the account number and name, debit balance, and credit balance. The trial balance is prepared in duplicate; the original is sent to the Comptroller of the Treasury and the duplicate is retained in a post binder by the Bureau of Audits and Accounts.

0615.3 Monthly Report of Allocations and Expenditures. At the end of the month, a computer-produced monthly report of allocations and expenditures is produced in six copies; the original is sent to the State's Department of Budget and Procurement; the duplicate is submitted to the State Board of Education; the third copy is submitted to the superintendent of education; the fourth copy to the deputy superintendent; the fifth copy to the Division of Audits and Accounts; and the sixth copy to the appropriate various organizational units within the Department.

0615.4 Monthly Report of Cost Centers. This report shows allocations, requisitions, encumbrances, expenditures, and available balance for the various accounts maintained for each cost center. The report is prepared for distribution to departmental administrative personnel.

0615.5 Monthly Report of Revenue Received. This report is prepared showing the total revenue received for each type of revenue account. This report is distributed to departmental administrative personnel.

0615.6 Monthly Report of Appropriations. The report of appropriations is prepared showing the total appropriation, allocations, and available balance for each expenditure authorization.

0615.7 Quarterly Reports of Federal Grants. At the end of September, December, March, and June, the Bureau of Audits and Accounts prepares reports of expenditures for presentation to the U. S. Office of Education re each federal grant.

0615.8 State Agency Program-Function Report. This report is prepared annually for the U. S. Office of Education. The report shows the total amount expended for each program-function code.

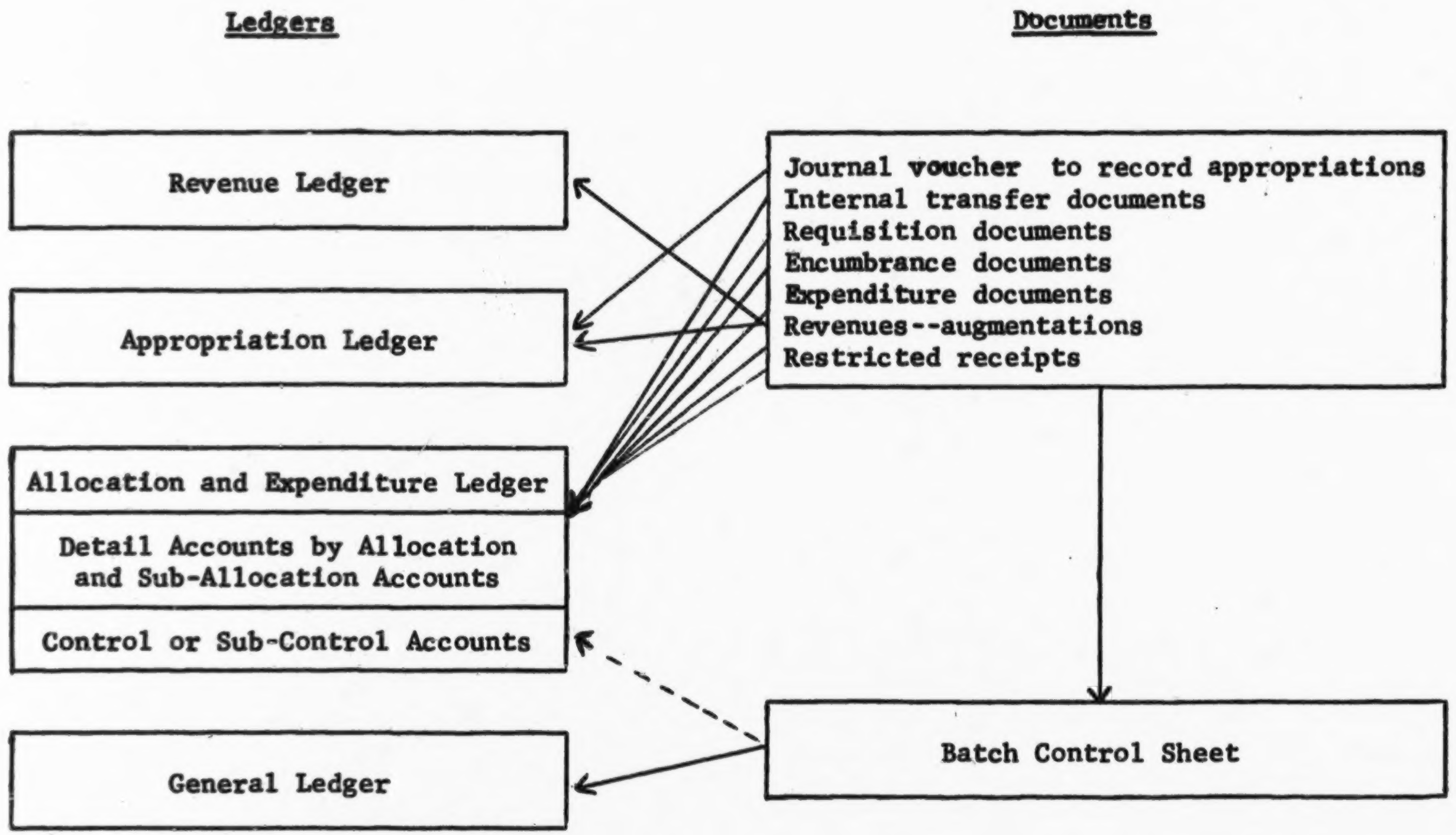
Chart 6

GENERAL LEDGER AND SUBSIDIARY LEDGERS

General Ledger		Subsidiary Ledgers
Account Number	Name of Account	
21	Vouchers Payable	Open Voucher File
31	Reserve for Prior Year Encumbrances	Prior Allocation and Expenditure Ledger Open Order File
33	Reserve for Restricted Receipts	Restricted Receipt Ledger
41	Estimated Appropriation Augmentations	Appropriation Ledger Allocation and Expenditure Ledger
42	Revenue Received	Revenue Received Ledger
44	Appropriations	Appropriation Ledger
45	Allocations	Allocation and Expenditure Ledger
46	Requisitions	Allocation and Expenditure Ledger Open Requisition File
48	Encumbrances	Allocation and Expenditure Ledger Open Order File
50	Expenditures	Allocation and Expenditure Ledger

Chart 7

FLOW OF ACCOUNTING DATA


Ledgers
Documents
Revenue Ledger
Appropriation Ledger
Allocation and Expenditure Ledger
Detail Accounts by Allocation and Sub-Allocation Accounts
Control or Sub-Control Accounts
General Ledger
Journal voucher to record appropriations
Internal transfer documents
Requisition documents
Encumbrance documents
Expenditure documents
Revenues--augmentations
Restricted receipts
Batch Control Sheet

0700 TRANSACTION DOCUMENTS

This section describes the effect of the various accounting transactions upon the system.

0710 Types of Documents

Transaction documents are the source of all entries to the subsidiary records as well as entries on the batch control sheet and the general ledger. Transaction documents used by the State Department of Education are:

1. Requisition Document
   a. Purchase Requisition
2. Encumbrance Documents
   a. Stores Encumbrance
   b. Purchase Order
   c. Actual Emergency Purchase Order
   d. Miscellaneous Encumbrance
3. Expenditure Documents
   a. Voucher Transmittal
   b. Payroll Voucher
   c. Refund of Expenditures
4. Revenue and Receipts Documents
   a. Revenue Deposit
   b. Debit Memorandum

5. Internal Transfer Documents
    a. Schedule of Allocations
    b. Allocation Amendment
    c. Schedule of Revenue Augmenting Appropriations
    d. Adjustment Voucher

0720 Requisition Document

The purchase requisitions are prepared by the procurement section of the Department from agency purchase requests to order materials, supplies, or equipment for shipment to the Department or field office. Purchase requisitions show the allocation and expenditure ledger account to be charged. Requisition documents posted to the allocation and expenditure ledger increase the outstanding requisitions and decrease the available balance of the accounts affected. Requisition documents are summarized daily and result in a posting from the batch control sheet to the general ledger as a debit to 46 Requisitions and a credit to 47 Reserve for Requisitions.

0730 Encumbrance Documents

Encumbrance documents record commitments to expend specified amounts from allocations for services, materials, supplies, or equipment. There are two types of encumbrance documents: (1) those which liquidate requisitions and (2) those which do not.

Encumbrance documents are posted to the allocation and expenditure detail accounts. The postings increase the outstanding encumbrances and decrease the outstanding requisitions. These postings may also increase or decrease the available balance of the account if the encumbrance differs from the requisition which it liquidates.

Encumbrance documents are summarized and result in a posting from the batch control sheet to the general ledger as a debit to 48 Encumbrances and a credit to 49 Reserve for Encumbrances for the amount encumbered, and a debit to 47 Reserve for Requisitions and a credit to 46 Requisitions for the amount of requisitions liquidated.

0740 Expenditure Documents

Expenditure documents represent departmental payrolls and payments of bills received from vendors, contractors, other state agencies, etc. There are three major classes of expenditures: (1) those that result in direct expenditures; (2) those that liquidate requisitions; and (3) those that liquidate encumbrances. Expenditure postings to the allocation and expenditure ledger increase the amount of expenditures (and decrease the available balance of the account affected if the expenditure does not liquidate another document). The postings increase the expenditures and decrease the requisitions or encumbrances (as the case may be) if the expenditure document does liquidate a requisition or encumbrance; these postings may also increase or decrease the available balance of the account if the expenditure amount varies from the amount (exceeds or is less than the document) which it liquidates.

Expenditure documents are summarized daily and result in a posting from the batch control sheet to the general ledger as: (1) a debit to 50 Expenditures and a credit to 21 Vouchers Payable for the amount of expenditures; (2) a debit to 47 Reserve for Requisitions and a credit to 46 Requisitions in the amount of requisitions liquidated; and (3) a debit to 49 Reserve for Encumbrances and a credit to 48 Encumbrances in the amount of encumbrances liquidated.

0750 Revenue and Receipts Documents

Revenue and receipts documents evidence amounts received and transmitted to the Treasurer for credit to the general fund. These documents are posted as credits to the appropriate subsidiary accounts in the revenue received ledger. Revenue and receipts documents are summarized daily and result in a posting from the batch control sheet to the general ledger as

(1) a debit to 01 Fund Balance and a credit to 42 Revenue Received, for revenue augmenting appropriations, and (2) a debit to 01 Fund Balance and a credit to 33 Reserve for Restricted Receipts, for agency trust funds received.

0760 Internal Transfer Documents

Internal transfer documents are authorizations to transfer amounts from one account to another. These documents are used to effect transfers and adjustments between accounts of the same subsidiary ledger or between the appropriation ledger and the allocation and expenditure ledger.

0800 ACCOUNTING FOR APPROPRIATIONS AND ALLOCATIONS

This section contains the transactions necessary to account for appropriations and allocations. Appropriations and allocations constitute the authority to expend department funds.

0810 Accounting for Appropriations

Based on the appropriation acts passed by the General Assembly for the State Department of Education, a journal voucher is prepared in order to credit the necessary accounts in the appropriation ledger.

The journal voucher affects the general ledger by crediting Account 44 Appropriations and debiting Account 01 Fund Balance.

0820 Accounting for Allocations

The State Department of Education prepares a schedule of allocations for each appropriation. For those appropriations which are authorized to be augmented, the amount of the estimated augmentation is entered and added to the specific appropriation to arrive at the total amount available for allocations.

The schedule of allocations affects the general ledger by crediting Account 45 Allocations and debiting Account 44 Appropriations in the amount of specific appropriations, and by crediting Account 41 Estimated Appropriation Augmentations and debiting Account 61 Budgetary Clearance in the amount of the estimated augmentations. These postings are made after the schedules of allocations have been approved by the State's Department of Budget and Procurement.

When schedules of allocations are prepared for appropriations authorized to be augmented, the amount of the specific appropriation and the amount of the estimated augmentation are both shown. Allocations are planned on the basis of the total of the specific appropriations plus the estimated credits. In the general ledger accounts, however, only the amount of allocations chargeable to specific appropriations is credited to Account 45 Allocations. The amount of estimated augmentations is established as follows:

Dr. 61	Budgetary Clearance
Cr. 41	Estimated Appropriation Augmentations To record allocations and suballocations based on estimated allocations.
Dr. 44	Appropriations
Cr. 45	Allocations To record allocations and suballocations chargeable to specific appropriations.

Schedules of suballocations by cost centers are also processed and posted to the allocation and expenditure ledger. The detail allocation accounts by cost centers are credited with the amount of the total allocations. An unrealized (or minus) allocation account is established for each subcontrol and is debited--i.e., minus (-) in the allocation column--by the unrealized amount of the estimated augmentation. This serves to reduce the amount of the total allocation; within the subcontrol. available for commitment and expenditure.

0821 Allocation Amendments. Transfers between allocations are accounted for by means of allocation amendments. Transfers between objects of expenditure and organizational units require prior approval of the Director of Budget and Procurement. Transfers between cost centers within the same orgainzation unit do not require approval of the Director of Budget and Procurement. The amendment does not affect the general ledger accounts.

0830 Posting to the Allocation and Expenditure Ledger

Approved copies of the schedule of allocation, schedule of suballocations, and allocation amendments are received by the Division of Audits and Accounts.

0831 Preauditing. The approved copies are checked for arithmetic accuracy, completeness, and particularly to be certain that the proper signatures are affixed. Allocation amendments not requiring the approval of the Director of Budget and Procurement are checked for completeness, arithmetic accuracy, proper account numbers, and authorized signatures.

0832 Batching. Schedules of allocations, schedules of suballocations, and allocation amendments are sorted by type of transaction. Separate totals are developed for each type of transaction.

0840 Accounting for Appropriation Augmentations

Based upon the revenue deposit concerning augmenting revenue, the Division of Audits and Accounts records the following entry to the general ledger and revenue received subsidiary ledger:

Dr. 01 Fund Balance

Cr. 42 Revenue Received

Also, a schedule of revenue augmenting appropriations is prepared and posted to the general ledger, the appropriation ledger, and the allocation and expenditure ledger. The entries are:

Dr. 41 Estimated Appropriation Augmentations

Cr. 44 Appropriations

Dr. 44 Appropriations

Cr. 45 Allocations

The schedule of revenue augmenting appropriations is posted as a credit--i.e., plus (+) allocation to the unrealized allocation account.

Chart 8

FLOW OF APPROPRIATION TRANSACTIONS

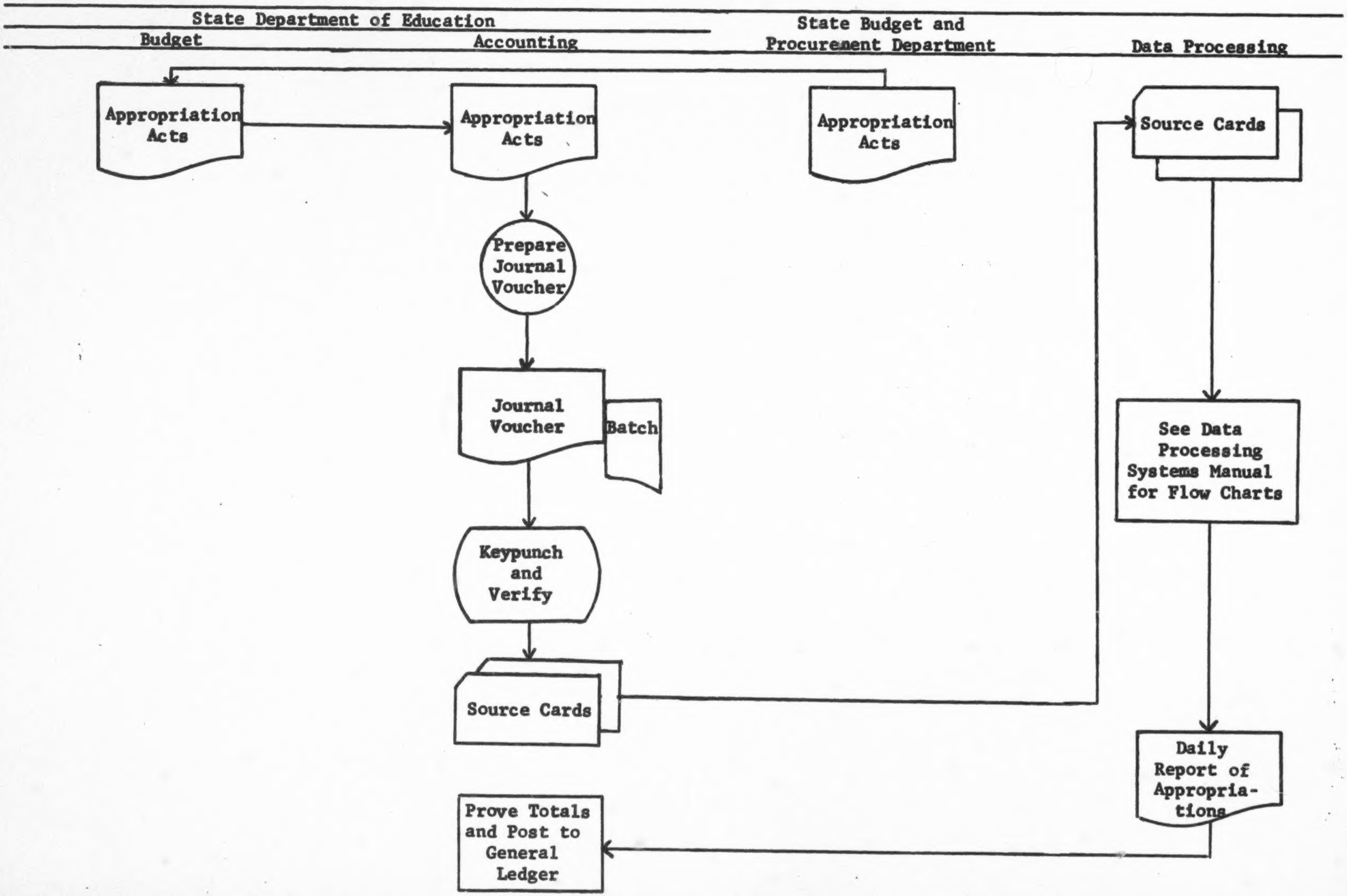

State Department of Education
Budget
Accounting
State Budget and Procurement Department
Data Processing
Appropriation Acts
Appropriation Acts
Appropriation Acts
Source Cards
Prepare Journal Voucher
Journal Voucher
Batch
See Data Processing Systems Manual for Flow Charts
Keypunch and Verify
Source Cards
Daily Report of Appropria-tions
Prove Totals and Post to General Ledger

Chart 9

FLOW OF ALLOCATION SCHEDULES AND AMENDMENTS

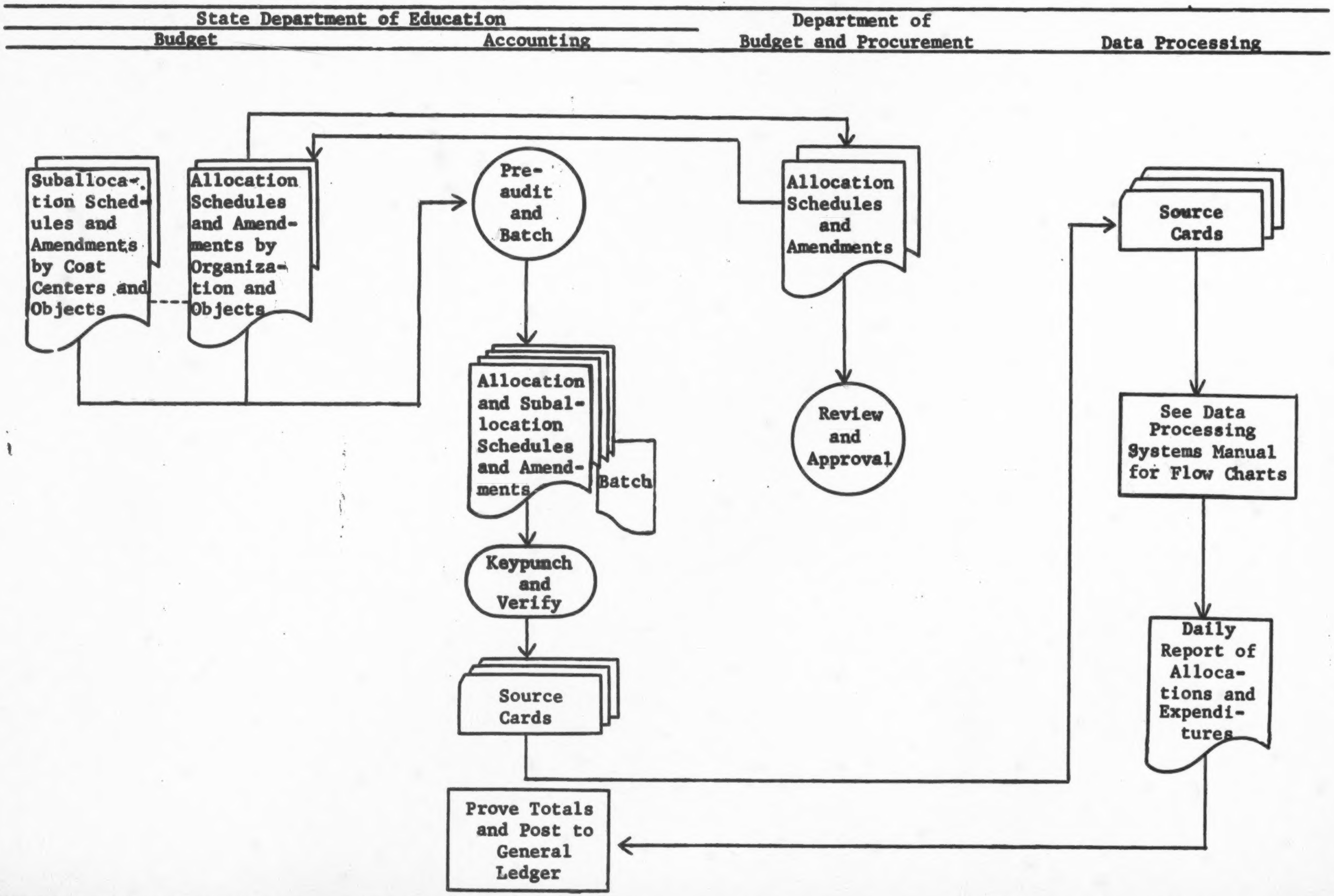
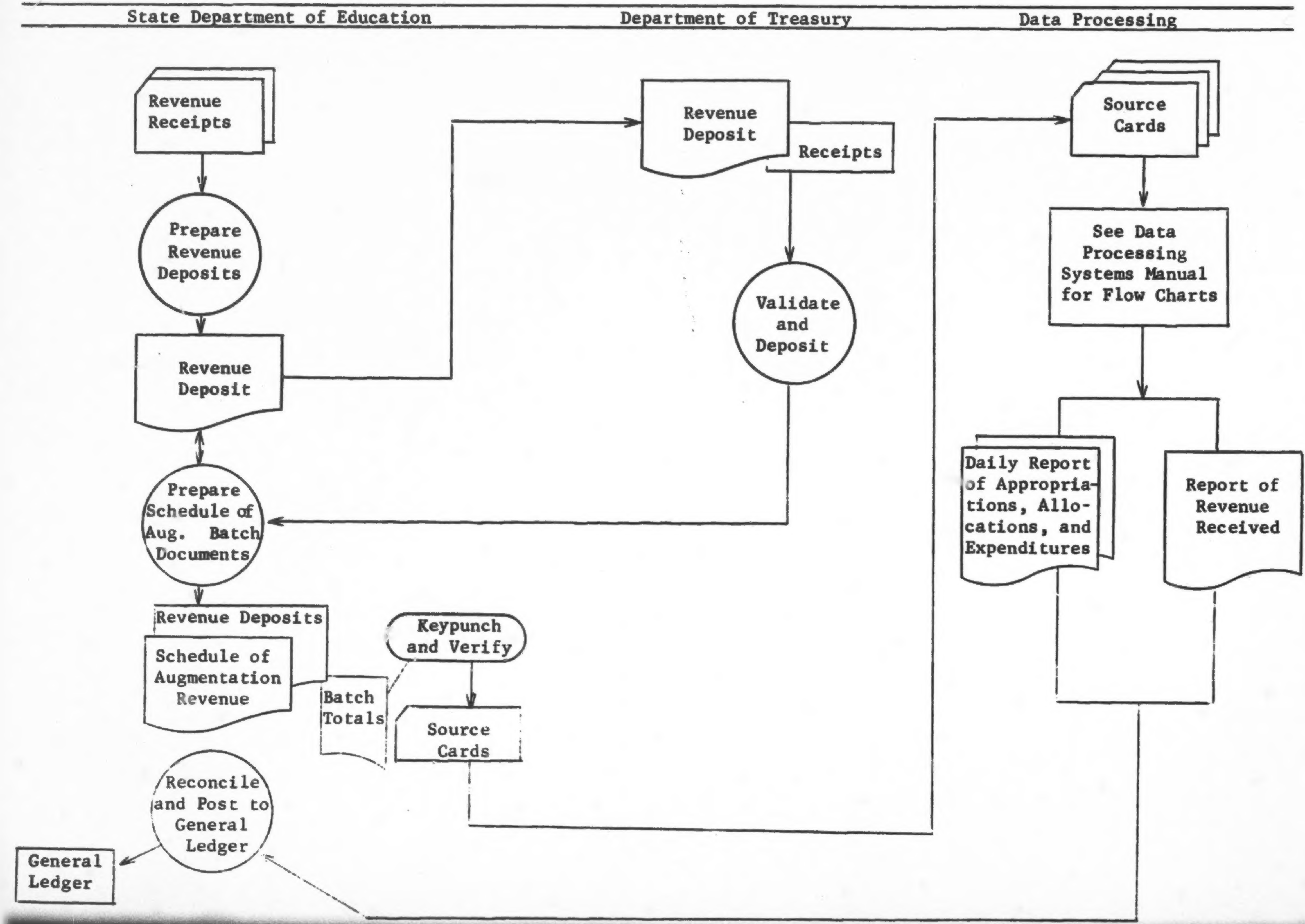

State Department of Education
Budget
Accounting
Department of Budget and Procurement
Data Processing
Suballocation Schedules and Amendments by Cost Centers and Objects
Allocation Schedules and Amendments by Organization and Objects
Pre-audit and Batch
Allocation and Suballocation Schedules and Amendments
Batch
Keypunch and Verify
Source Cards
Prove Totals and Post to General Ledger
Allocation Schedules and Amendments
Review and Approval
Source Cards
See Data Processing Systems Manual for Flow Charts
Daily Report of Allocations and Expenditures

Chart 10

FLOW OF REVENUE AND RECEIPT TRANSACTIONS


State Department of Education
Department of Treasury
Data Processing
Revenue Receipts
Prepare Revenue Deposits
Revenue Deposit
Prepare Schedule of Aug. Batch Documents
Revenue Deposits
Schedule of Augmentation Revenue
Batch Totals
Keypunch and Verify
Source Cards
Reconcile and Post to General Ledger
General Ledger
Revenue Deposit
Receipts
Validate and Deposit
Source Cards
See Data Processing Systems Manual for Flow Charts
Daily Report of Appropriations, Allocations, and Expenditures
Report of Revenue Received

0900 ACCOUNTING FOR REQUISITIONS, ENCUMBRANCES, AND EXPENDITURES

This section describes the procedures required to process requisition, encumbrance, and expenditure documents through the system.

0910 Preauditing

Requisition, encumbrance, and expenditure documents are processed promptly so procurement is expedited and accounts show current balances.

0911 Requisition Documents. Requisition documents are processed as follows:

1. Documents are pin-stapled with the accounting copy on top.
2. Documents are reviewed for compliance with legal and administrative requirements and for propriety of expenditure.
3. Account codes and amounts charged to each account are checked.
4. The accounting copies of the requisition documents are initialed to show that they were preaudited.

After this examination, all documents approved are sent to the control clerk who prepares the batch control sheet and merges the requisition documents with the other types of documents.

0912 Encumbrance Documents. Encumbrance documents are processed as follows:

1. Documents are pin-stapled with the accounting copy on top.
2. Documents are reviewed for compliance with legal and administrative requirements and for propriety of expenditure except where, as on purchase orders, such review was made at the time the requisition document was edited.
3. Account coding and amount charged to each account are checked.

4. The numbers of the requisition documents being liquidated are checked.

5. Wherever it is necessary, as on purchase orders, the amount being liquidated with respect to the requisition document is computed and entered on the accounting copy of the encumbrance document.

6. The number of the liquidating document, amount of the liquidation and the date under which the encumbrance document is to be posted to the allocation and expenditure ledger are entered in the record of liquidations on the accounting copy of the purchase requisition.

7. The new outstanding balances of the documents liquidated are computed.

8. The accounting copy of the encumbrance documents are initialed to show that they were edited.

After this examination, all encumbrance documents approved are sent to the control clerk.

0913 Expenditures. Invoices are received in three copies by the Division of Audits and Accounts. Invoices are checked against the pending file of encumbrance documents if they require liquidation of encumbrances. If an invoice is for a type of expense on which receiving reports are made but no receiving report is in the file of pending encumbrance documents, the invoice is filed next to the encumbrance document to which it relates. The person who should have received the services, materials, supplies, or equipment is notified that a receiving report must be submitted immediately if the items have been received. Invoices for telephone, utilities, postage, and freight must have the approval of agency personnel concerned. Approval is indicated by signature on the second copy of the invoice.

After proper evidence of receipt of goods or services is received, the invoices are processed for payment as follows:

1. Invoices are pin-stapled (sequence: second copy, original copy, third copy) with the accounting copies of the encumbrance documents attached to the second copies of invoices.

2. The second copies of invoices, which serve as the accounting copies, are stamped with a voucher processing grid. This provides lines for initialing to be certain financial editing processes are completed.

3. Direct payment invoices are posted to a vendor direct payments record to determine that they have not been paid previously.

4. Cash discounts are computed.

5. Required processing and accounting information is entered in the voucher processing grids.

6. The amount of the liquidation and the date under which the document is to be posted to the allocation and expenditure ledger are entered in the record of liquidation on the accounting copy of the documents liquidated.

7. The new outstanding balances of the documents liquidated are computed and recorded in the record of liquidation.

8. Accounting copies of the invoices are stamped with the number of the voucher in which they are to be included.

The documents are forwarded to the control clerk for the following processes:

1. Compute separate totals for the amount of requisitions liquidated, the amount of encumbrances liquidated, and the amount of expenditures.

2. Merge expenditure documents with other documents.

0920 Posting Documents

The documents in the batch are keypunched and key-verified and the cards are forwarded to the data processing center. Source cards are processed by the center to generate a transaction run which is verified with the batch control totals. After the transaction run is verified, the tape is processed by the center to update the ledgers and produce the reports of the various ledgers affected.

Chart 11

FLOW OF REQUISITIONS AND ENCUMBRANCES

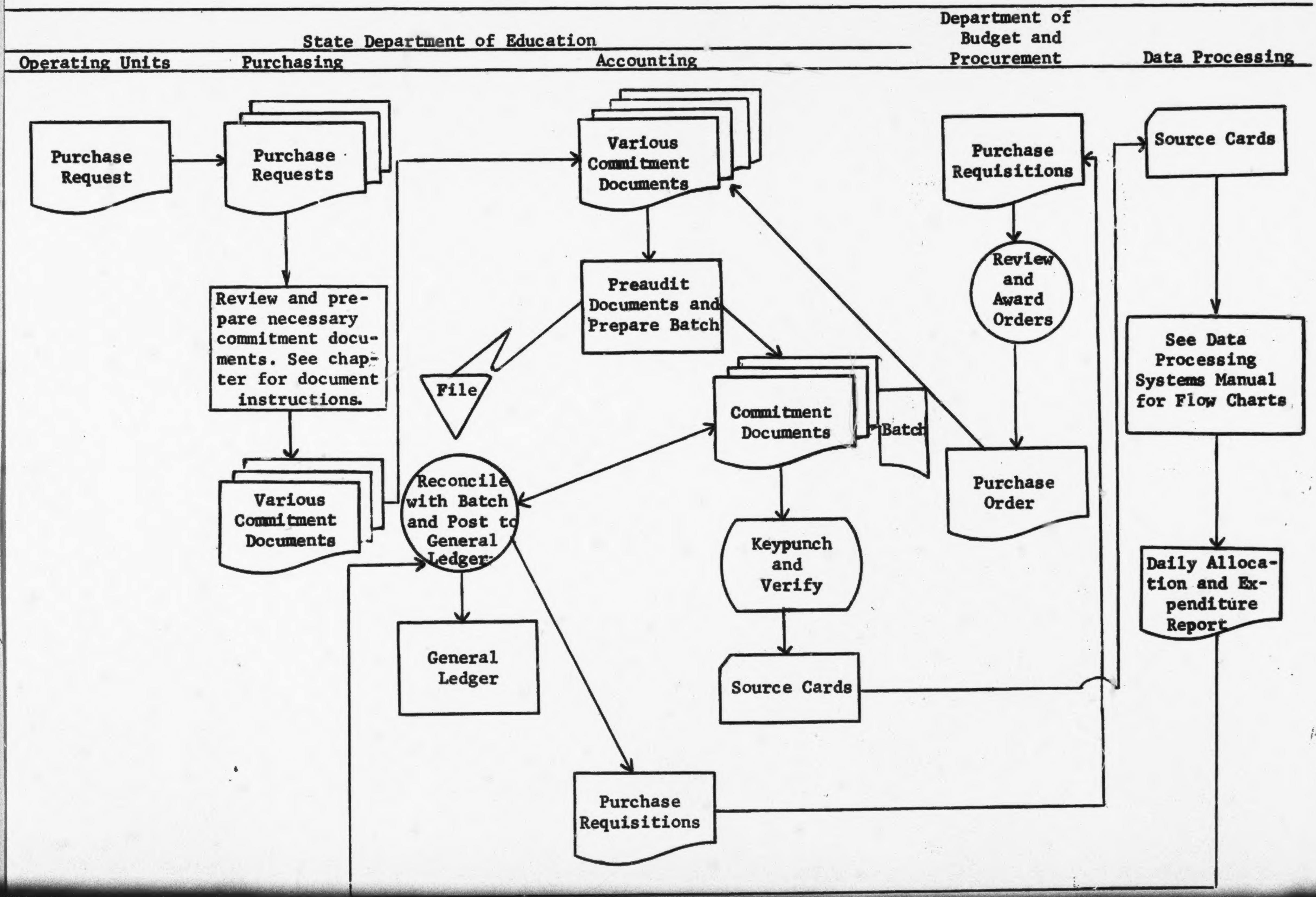

State Department of Education
Department of Budget and Procurement
Operating Units
Purchasing
Accounting
Data Processing
Purchase Request
Purchase Requests
Review and prepare necessary commitment documents. See chapter for document instructions.
Various Commitment Documents
Various Commitment Documents
Preaudit Documents and Prepare Batch
File
Reconcile with Batch and Post to General Ledger
General Ledger
Commitment Documents
Batch
Keypunch and Verify
Source Cards
Purchase Requisitions
Purchase Requisitions
Review and Award Orders
Purchase Order
Source Cards
See Data Processing Systems Manual for Flow Charts
Daily Allocation and Expenditure Report

Chart 12

FLOW OF INVOICE TRANSACTIONS

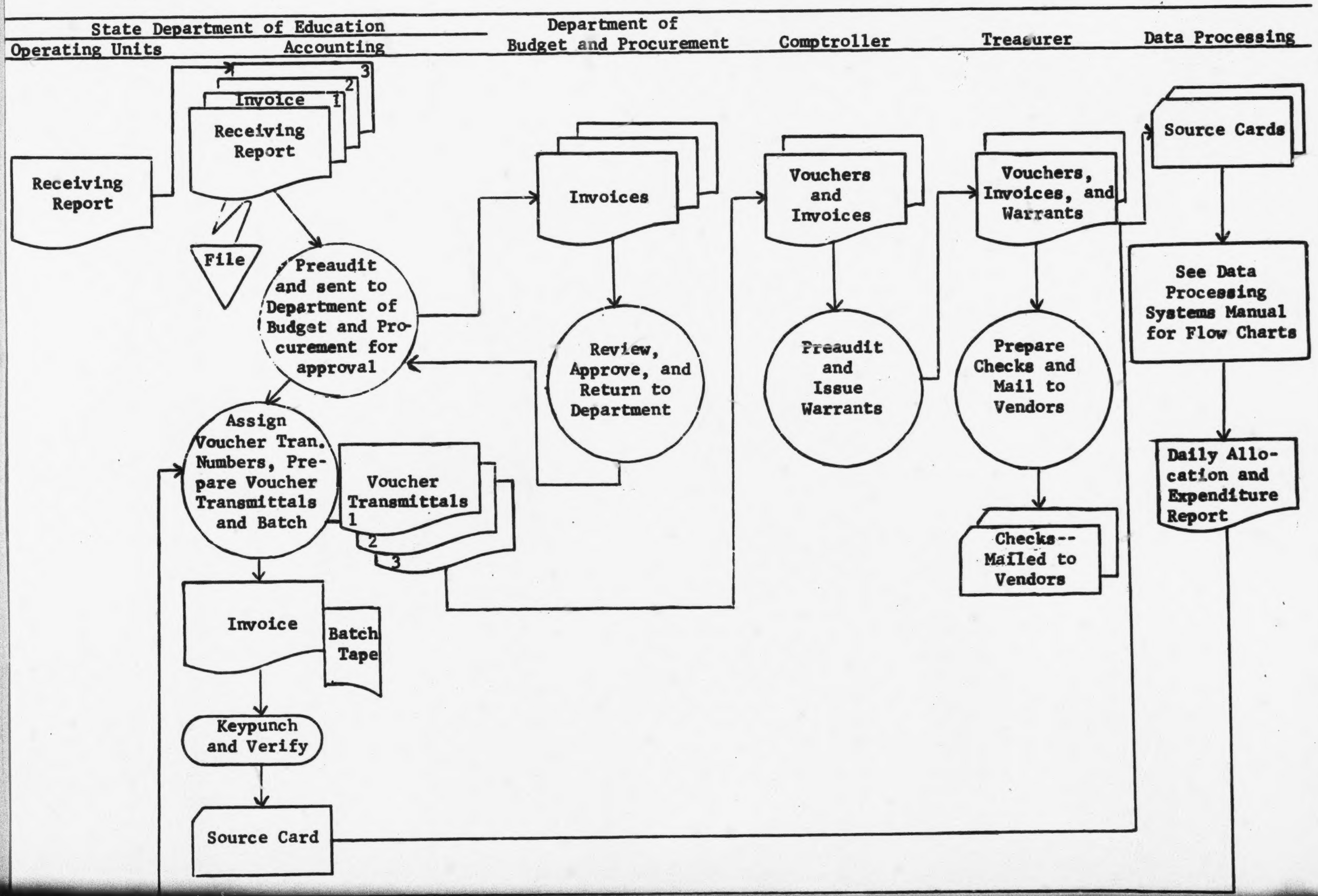

State Department of Education
Operating Units
Accounting
Department of Budget and Procurement
Comptroller
Treasurer
Data Processing
Receiving Report
Receiving Report
Invoice
1
2
3
File
Preaudit and sent to Department of Budget and Procurement for approval
Assign Voucher Tran. Numbers, Prepare Voucher Transmittals and Batch
Voucher Transmittals
1
2
3
Invoice
Batch Tape
Keypunch and Verify
Source Card
Invoices
Review, Approve, and Return to Department
Vouchers and Invoices
Preaudit and Issue Warrants
Vouchers, Invoices, and Warrants
Prepare Checks and Mail to Vendors
Checks--Mailed to Vendors
Source Cards
See Data Processing Systems Manual for Flow Charts
Daily Allocation and Expenditure Report

Chart 13

ACCOUNTING GRID

Account Code							Liquidating Doc. No.	Amount of Liquidation	Voucher Number	Amount
Fund	Dept	Approp	FY	Org	Obj	CC				
01	04									
01	04									
01	04									
01	04									
01	04									
01	04									
01	04									
01	04									
01	04									

1000 ACCOUNTING FOR OTHER TRANSACTIONS

This section considers those transactions not discussed in preceding sections of this manual. The following subjects are reviewed in the subsections correspondingly numbered:

1010 Accounting for Vouchers Payable

1020 Accounting for Payrolls

1030 Accounting for Restricted Receipts

1040 Accounting for Prior Year Encumbrances

1010 Accounting for Vouchers Payable

The credit balance of general ledger Account 21 Vouchers Payable reflects the total of vouchers in the offices of the state comptroller and treasurer. The credit amounts entered on the batch control sheet represent the amount of vouchers forwarded that day to the state comptroller.

The batch control sheet summarizes all vouchers posted as expenditures, prior year payments, and payment of restricted receipts.

When the Division of Audits and Accounts receives a notice (disbursement notice) that the treasurer has paid a voucher, the procedure is as follows:

1. The accounting copy of the voucher is noted with the number and date of the disbursement notice.

2. The amount of vouchers paid is entered on the batch control sheet.

1020 Accounting for Payrolls

Payroll charges for the State Department of Education are recorded in the allocation and expenditure ledger from the payroll vouchers. Payroll vouchers are summarized by cost centers, organizations, and appropriations.

In order to obtain the program-oriented cost information for the Department, it is essential that personnel record their time by cost centers. Payroll time cards are distributed to all employees at the beginning of the pay period. Supervisory personnel are responsible for reviewing payroll time cards before they are forwarded to the Division of Audits and Accounts for payroll processing.

Payroll vouchers are batched with other expenditure transactions that affect the allocation and expenditure ledger.

1030 Accounting for Restricted Receipts

Restricted receipts are trust and agency moneys which are accounted for within the general fund. These include federal grants for which the State Department of Education acts as an agent in transmitting the grants to local systems.

Restricted receipts are controlled by general ledger Account 33 Reserve for Restricted Receipts. A subsidiary ledger is maintained by organization, cost center, and objects of expenditure for each type of restricted receipt.

1031 Accounting for Receipts. Restricted receipts are recorded as follows:

Dr. 01 Fund Balance

Cr. 33 Reserve for Restricted Receipts

The receipts are posted as an increase in the allocation column of the restricted receipts ledger accounts affected.

1032 Coding Restricted Receipt Transactions. All transactions affecting the restricted receipts allocation and expenditure ledger are coded as follows:

Fund	Department	Appropriation	Year	Organization	Object	Cost Center
01	04	9X	X	XX	XX	XXX

Restricted receipt accounts are coded from 90 through 99 in the appropriation column of the account code grid.

1040 Accounting for Prior Year Encumbrances

The credit balance in general ledger Account 31 Reserve for Prior Year Encumbrances is initially established at the close of each fiscal year. This reserve is required to cover the liabilities represented by outstanding encumbrances chargeable to the appropriation for the fiscal year then ending.

1041 Establishing the Reserve. After closing all operating and budgetary accounts into the general ledger Account 61 Budgetary Clearance at the close of the fiscal year, the bureau of audits and accounts prepares a journal voucher to establish Account 31 Reserve for Prior Year Encumbrances. The entry is as follows:

Dr. 61 Budgetary Clearance

Cr. 31 Reserve for Prior Year Encumbrances

1042 Accounting for Payments. Payments of prior year encumbrances are handled in much the same manner as the payment of other encumbrances. The entry to record the payment of an invoice is as follows:

Dr. 31 Reserve for Prior Year Encumbrances

Cr. 21 Vouchers Payable

1043 Accounting for Lapses. When it is determined that all balances remaining in Account 31 Reserve for Prior Year Encumbrances are to be lapsed to the general fund, the following entry is recorded:

Dr. 31 Reserve for Prior Year Encumbrances

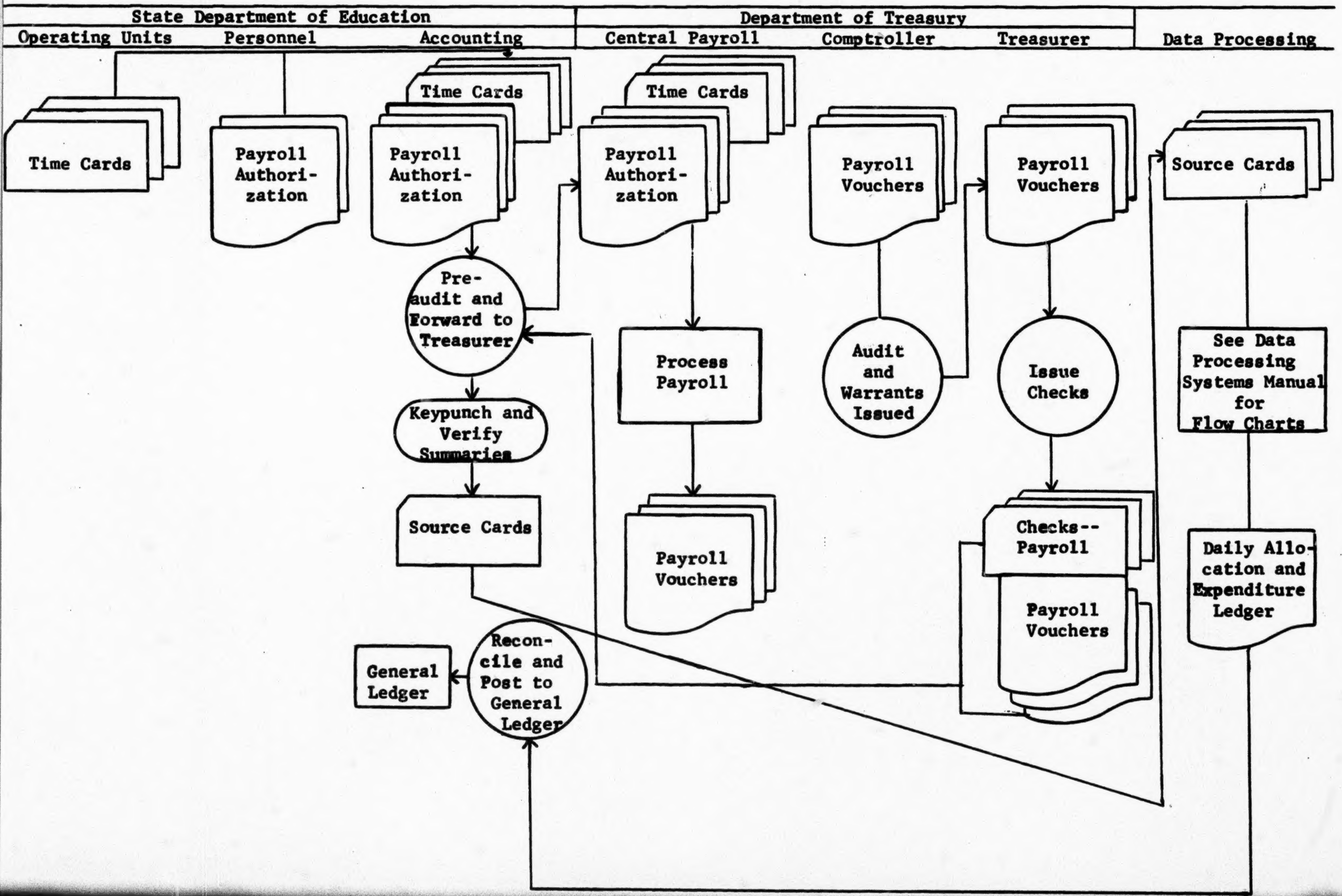
Cr. 01 Fund Balance

1044 Coding Prior Year Encumbrance Transactions. All transactions affecting the prior year allocation and expenditure ledger are coded with the complete 14-digit account code. The year in which the fiscal year ended is recorded in the appropriation account code grid of the transaction documents.

1045 Prior Year Encumbrance Allocation and Expenditure Subsidiary Ledger. The reserve is initially posted as an increase in the allocations column and as an increase in the encumbrance column. Payments are posted as an increase in the expenditure column; liquidations as a decrease in the encumbrance column; and the excess of the liquidations over payments as an increase in the available balance column. Lapses are posted as a decrease in the allocation column and a decrease in the available balance column.

Chart 14

FLOW OF PAYROLL TRANSACTIONS


State Department of Education
Operating Units
Personnel
Accounting
Department of Treasury
Central Payroll
Comptroller
Treasurer
Data Processing
Time Cards
Payroll Authorization
Time Cards
Payroll Authorization
Pre-audit and Forward to Treasurer
Keypunch and Verify Summaries
Source Cards
Reconcile and Post to General Ledger
General Ledger
Time Cards
Payroll Authorization
Process Payroll
Payroll Vouchers
Payroll Vouchers
Audit and Warrants Issued
Payroll Vouchers
Issue Checks
Checks--Payroll
Payroll Vouchers
Source Cards
See Data Processing Systems Manual for Flow Charts
Daily Allocation and Expenditure Ledger

1100 POSTING TO THE GENERAL AND SUBSIDIARY LEDGERS

Transaction documents described in Section 0700 of his manual are the source entries to the ledgers maintained in the Division of Audits and Accounts. The documents are posted in detail to the subsidiary ledgers and in summary form to the general ledger. The accounting and reporting processes are designed to produce accounting reports with the minimum of additional effort and, to the extent possible, as a by-product of the accounting system.

1110 Controls to Assure Accuracy

Accuracy in posting is assured by determining preestablished posting-run totals and by verification that documents are posted to indicated accounts.

1111 Posting Dates. Reconciliation problems arise if posting dates are not strictly observed. All documents are preaudited on one day and posted under that date on the next working day. In preparing for transaction runs, the control clerk arranges all documents for a single posting date.

1112 Batch Control Sheet. To effect internal control of accounting documents and to prove posting to the computer-produced subsidiary ledgers, a batch control sheet is prepared. The control clerk sorts by document groups all documents approved by the preaudit clerk for posting to the subsidiary ledgers. The control clerk runs an adding machine tape on the documents in each group and enters the totals in the appropriate columns of the batch control sheet.

After the documents have been processed by the computer center, a transaction run is produced and forwarded to the control clerk for verification. After the transaction run is verified by the control clerk, the transactions are processed by the computer center and the subsidiary ledgers are updated.

1113 Proof of Posting. After all items have been processed through the computer, the daily reports are prepared and forwarded to the control clerk. After the control clerk has verified all transactions listed on the daily reports with the batch control sheet, the batch control sheet is posted to the general ledger.

1200 CLOSING PROCEDURES

At the close of the fiscal year, all operating and budgetary accounts are closed out to Account 61 Budgetary Clearance and certain reserve accounts are established. This section describes the procedures required to close the records and accounts of the Department of Education.

1210 Types of Appropriations

The following types of appropriations are involved in the closing procedures:

1. Lapsable Appropriations. Appropriations authorized for a specific period, usually a fiscal year. The unencumbered portions of the appropriations lapse at the end of the fiscal year. The encumbered portions of these appropriations are carried forward into the new fiscal year as a prior year encumbrance.
2. Restricted Receipt Accounts. These are trust and agency moneys which are not lapsed at the end of the fiscal year. The balances are carried forward as a liability of the general fund.

1220 Establishing Encumbrances

All items which are properly chargeable to "lapsable" appropriations must be disbursed from or encumbered against the appropriations by June 30. All unencumbered balances lapse on that date.

Thus, before June 30, it is necessary to establish encumbrances properly chargeable to current appropriations.

1230 Accounting for Closing the Fiscal Year

The Division of Audits and Accounts prepares a journal voucher to close credit balance accounts in the amount of their respective balances:

Dr. 41 Estimated Appropriations Augmentations

Dr. 42 Revenue Received

Dr. 44 Appropriations

Dr. 45 Allocations

Dr. 47 Reserve for Requisitions

Dr. 49 Reserve for Encumbrances

Cr. 61 Budgetary Clearance

Next, a journal voucher is prepared to close debit balance accounts in the amount of their respective balances:

Dr. 61 Budgetary Clearance

Cr. 46 Requisitions

Cr. 48 Encumbrances

Cr. 50 Expenditures

After the closing entries have been prepared, a journal voucher is prepared to establish necessary reserves:

Dr. 61 Budgetary Clearance

Cr. 31 Reserve for Prior Year Encumbrances

For outstanding encumbrances against "lapsable" appropriations.

Next, a journal voucher is prepared in the amount of the lapsable appropriations not encumbered. This represents the balance in Account 61 Budgetary Clearance, after all operating and budgetary accounts have been closed into the account and the prior year reserve account has been established. The entry to record the lapses to appropriations is:

Dr. 61 Budgetary Clearance

Cr. 01 Fund Balance

When the operating and budgetary accounts have been closed, the reserves established and the lapses recorded, a trial balance is prepared entitled "Trial Balance After Closing." This trial balance shows the following accounts, where applicable:

Trial Balance After Closing

Debits	Credits
01 Fund Balance	21 Vouchers Payable
11 Petty Cash Advances	23 Advances from State Treasury
	31 Reserve for Prior Year Encumbrances
	33 Reserve for Restricted Receipts

Appendix I

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

DESCRIPTION OF GENERAL LEDGER ACCOUNTS

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 01 Fund Balance Normal Balance: Debit			
This account is charged with the amount of appropriations enacted and revenues received. This account is credited with the amount of vouchers disbursed, appropriation balances lapsed, and adjustments to revenues and receipts received.	Dr. with amount of appropriations authorized.	Appropriation ledger	Cr. GL 44 Appropriations
	Dr. with amount of revenue received and deposited.	Revenue received ledger	Cr. GL 42 Revenue received
	Dr. with amount of restricted receipts received and deposited.	Allocation and expenditure ledger	Cr. GL 33 Reserve for restricted receipts
The balance of this account represents the Department's equity in the state treasury.	Cr. with amount of vouchers disbursed.		Dr. GL 21 Vouchers payable
	Cr. with amount of appropriations lapsed.		Dr. GL 61 Budgetary clearance.
	Cr. with amount of revenue adjustment.	Revenue received Ledger	Dr. GL 42 Revenue received
	Cr. with amount of restricted receipt adjustment.	Allocation and expenditure ledger	Dr. GL 33 Reserve for restricted receipts
Account No. 11 Petty Cash Advances Normal Balance: Debit			
This account is charged with the amount of advancements made to the Department for immediate payment of small claims. This account is credited with the amount of advancement returned to the state treasury.	Dr. with amount of petty cash advances received from the state treasury.		Cr. GL 23 Advances from state treasury
	Cr. with amount of advances returned to the state treasury.		Dr. GL 23 Advances from state treasury

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 21 Vouchers Payable			
Normal Balance: Credit			
This amount is credited with amounts of vouchers approved for all purposes by the Department. It is charged with the payment of the state comptroller's warrants by the treasurer and by vouchers rejected by the state comptroller and returned to the Department.	Cr. with vouchers approved by the Department.	Allocation and expenditure ledger	Dr. GL 50 Expenditures or other general ledger accounts affected, i.e., GL 31 Reserve for prior year encumbrances, GL 33 Reserve for restricted receipts
	Dr. with amount of checks issued in payment of vouchers as evidenced by disbursement notice.		Cr. GL 01 Fund balance
The credit balance represents the liability for vouchers submitted for payment for which treasury checks have not been issued.	Dr. with amount of vouchers rejected for payment by the state comptroller.	Allocation and expenditure ledger	Cr. GL 50 Expenditures or other general ledger account charged with the vouchers
Account No. 23 Advances from State Treasury			
Normal Balance: Credit			
This account is credited with sums of money advanced to the Department for paying immediate claims. This account is charged with the amount returned to the state treasury by the Department.	Cr. with amount advanced to the Department by the state treasury.		Dr. GL 11 Petty cash advances
	Dr. with amount of advancement returned to the state treasury.		Cr. GL 11 Petty cash advances
The credit balance represents the amount of advancement due the state treasury.			

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 31 Reserve for Prior Year Encumbrances			
Normal Balance: Credit			
This account is credited at the end of the fiscal year with the amount of outstanding encumbrances to be carried forward into the next fiscal year. The account is charged with the liquidation or cancellation of the encumbrances carried forward.	Cr. with amount of outstanding encumbrances at end of fiscal year.	Allocation and expenditure ledger.	Dr. GL 61 Budgetary Clearance
	Dr. with amounts of prior year encumbrances liquidated.	Allocation and expenditure ledger.	Cr. GL 21 Vouchers payable
	Dr. with the balance of prior year encumbrances to be lapsed.	Allocation and expenditure ledger	Cr. GL 01 Fund balance
Outstanding encumbrances against appropriations are closed into Budgetary Clearance at the close of the fiscal year and re-established in the Reserve for Prior Year Encumbrances			
Account No. 33 Reserve for Restricted Receipts			
Normal Balance: Credit			
This is a control account for several types of trust and agency moneys accounted for in the general fund. The account is credited with the receipt and is charged with the disbursement of these funds. Each type of restricted receipt has its own subsidiary ledger reflecting receipts, disbursements, and cash balance.	Cr. with amount of restricted receipts received.	Allocation and expenditure ledger	Dr. GL 01 Fund balance
	Dr. with amount of vouchers approved by the Department.	Allocation and expenditure ledger	Cr. GL 21 Vouchers payable

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 41 Estimated Appropriation Augmentation			
Normal Balance: Credit			
This account is credited with the estimated amounts of designated receipts which are to be credited to certain appropriations. The amounts of such revenues are required to be estimated in advance in order to determine the total amounts to be authorized for appropriations.	Cr. with amount of estimated revenue which will augment appropriations.	Appropriation ledger	Dr. GL 61 Budgetary Clearance
	Dr. with amount of revenue received which augments the appropriation (and Dr. GL 44 Appropriations).	Appropriation ledger	Cr. GL 44 Appropriations (and Cr. GL 45 Allocations)
	Dr. with balance of account at end of year.		Cr. GL 61 Budgetary Clearance
The account is charged with revenue received which augment certain appropriations.			
This account is closed into Budgetary Clearance at the end of the fiscal year.			
Account No. 42 Revenue Received			
Normal Balance: Credit			
This account is credited with the amount of revenue received to augment appropriation and deposited in state treasury.	Cr. with amount of revenue deposited.	Revenue received ledger	Dr. GL 01 Fund balance
The balance of this account is closed to budgetary clearance at the close of fiscal year.	Dr. with balance at close of fiscal year.		Cr. GL 61 Budgetary Clearance

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 44 Appropriations			
Normal Balance: Credit			
This account is credited at the beginning of the fiscal year with the amount of appropriations made in specific amount by the General Assembly for expenditures in the current fiscal year. It is charged with allocations made.	Cr. with amounts appropriated in specific amount by General Assembly.	Appropriation ledger	Dr. GL 01 Fund balance
	Cr. with amount of realized estimated augmentation (also Cr. GL 45 Allocation).	Appropriation ledger	Dr. GL 41 Estimated appropriation augmentations (also Dr. GL 44 Appropriations)
The balance of this account is closed to Budgetary Clearance at the end of the fiscal year.	Dr. with allocations granted.	Appropriation ledger	Cr. GL 45 Allocations
	Dr. with balance at end of fiscal year.		Cr. GL 61 Budgetary Clearance
Account No. 45 Allocations			
Normal Balance: Credit			
This account is credited with the amount of appropriations authorized by the director of the budget. The credit balance represents the amount of allocations available for commitment and expenditure. This account is closed to Budgetary Clearance at the end of the fiscal year.	Cr. with specific amount of approved allocations.	Allocation and expenditure ledger	Dr. GL 44 Appropriations
	Cr. with revenue augmenting appropriations	Allocation and expenditure ledger	Dr. GL 44 Appropriations
	Dr. with balance of account at end of year.		Cr. GL 61 Budgetary Clearance

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 46 Requisitions			
Normal Balance: Debit			
This account is charged with requisition documents submitted to the Department of Budget and procurement for which orders have not been issued. The account is credited with the liquidation or cancellation of the requisition. At the close of the fiscal year, Account 46 is closed to Budgetary Clearance.	Dr. with amount of requisition submitted.	Allocation and expenditure ledger	Cr. GL 47 Reserve for Requisitions
	Cr. with amount of requisition liquidated or cancelled.	Allocation and expenditure ledger	Dr. GL 47 Reserve for Requisitions
	Cr. with balance at close of fiscal year.		Dr. GL 61 Budgetary Clearance
Account No. 47 Reserve for Requisitions			
Normal Balance: Credit			
This is a contra account to Account 46 Requisitions. It is credited with the amount of requisitions and charged with their liquidation. At the close of the fiscal year, Account 47 is closed to Budgetary Clearance.	Cr. with amount of requisition issued.		Dr. GL 46 Requisitions
	Dr. with amount of requisition liquidated or cancelled.		Cr. GL 46 Requisitions
	Dr. with balance at close of fiscal year		Cr. GL 61 Budgetary Clearance

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
Account No. 48 Encumbrances			
Normal Balance: Debit			
This account is charged with the amount of orders issued. The account is credited with the amount of the orders liquidated or cancelled.	Dr. with amount of orders issued.	Allocation and expenditure ledger	Dr. GL 49 Reserve for Encumbrances.
	Cr. with amount of orders liquidated or cancelled.	Allocation and expenditure ledger	Dr. GL 49 Reserve for Encumbrances
At the close of the fiscal year, this account is closed to Budgetary Clearance and the amount of orders are reestablished in Account 31 Reserve for Prior Year Encumbrances.	Cr. with balance at close of fiscal year.		Dr. GL 61 Budgetary Clearance
Account No. 49 Reserve for Encumbrances			
Normal Balance: Credit			
This is a contra account to Account 48 Encumbrances. It is credited with the amount of encumbrances and charged with their liquidation. At the close of the fiscal year, Account 48 is closed to Budgetary Clearance.	Cr. with amount of encumbrances issued.		Dr. GL 48 Encumbrances
	Dr. with amount of encumbrances liquidated or cancelled.		Cr. GL 48 Encumbrances
	Dr. with balance at close of fiscal year.		Cr. GL 61 Budgetary Clearance
Account No. 50 Expenditures			
Normal Balance: Debit			
This account is charged with all approved vouchers chargeable to current appropriations.	Dr. with the amount of approved vouchers.	Allocation and expenditure ledger	Cr. GL 21 Vouchers Payable

Appendix I (continued)

	Transactions	Subsidiary Ledger	Contra General Ledger Entries
The balance of this account is closed to Budgetary Clearance at the close of the fiscal year.	Cr. with balance of account at the close of fiscal year.		Dr. GL 61 Budgetary Clearance
Account No. 61 Budgetary Clearance			
Normal Balance:			
This account is charged at the beginning of the year with the amount of revenue estimated to augment appropriations. At the end of the fiscal year, the various budgetary and operating accounts are closed to this account and reserve accounts established for the amounts to be carried forward. The balance remaining represents unencumbered and unexpended funds to be lapsed to the general fund.	Cr. at the close of the fiscal year with the balances of:		
	Revenue received		Dr. GL 42 Revenue Received
	Estimated appropriation augmentations		Dr. GL 41 Estimated appropriation augmentations
	Appropriations		Dr. GL 44 Appropriations
	Allocations		Dr. GL 45 Allocations
	Requisitions		Dr. GL 47 Reserve for Requisitions
	Encumbrances		Dr. GL 49 Reserve for Encumbrances
	Dr. at the close of the fiscal year with the balances of:		
	Requisitions		Cr. GL 46 Requisitions
	Encumbrances		Cr. GL 48 Encumbrances
	Expenditures		Cr. GL 50 Rxpenditures
	Encumbrances carried forward		Cr. GL 31 Reserve for prior year encumbrances
	Unencumbered and unexpended funds to be lapsed.		Cr. GL 01 Fund balance

Appendix II

DESCRIPTION OF DIMENSIONS AND CATEGORIES

DESCRIPTION OF DIMENSIONS AND CATEGORIES

Proposed Dimensions, Categories, and Codes

Several dimensions should be used in uniform fashion by all state education agencies. Proposed dimensions, categories, and code numbers are presented below. The dimensions for which uniform use is recommended are the following:

1. The USOE code of "program functions."
2. Function: major functions and minor or subfunctions.
3. Clientele.
4. Purpose.
5. Subject matter.
6. Instructional level.

Any number of additional dimensions may be employed by each state education agency, and such additional dimensions may be supplemented, supplanted, or modified from time to time, as deemed convenient by each agency. The use of three types of additional dimensions is discussed below; the three are the following:

7. Longevity of cost center.
8. Funding Plan.
9. "Program" dimensions.

__Function__. The Maryland State Department of Education undertakes to achieve its varied goals by means of efforts invested in a few basic types of work. These have often been referred to as "function," and that usage is relied upon here. (In Handbook IV--on staff accounting--of the USOE series, "service area" is used in lieu of "function," and "area of responsibility" in place of "subfunction.") It is a function of the Department of Education to study education in its state, for example. It is a function of the education department to provide technical assistance to other educational units within the State. It is a function of the Department to dispense material and financial support to other educational units.

The number of functions is a matter of definition, of course. One study distinguishes between three classes of functions: regulatory, operational, and leadership functions.[1/] In that format, the "leadership" functions include planning, research, advising or consulting, coordinating, and public relations; the "operational" functions include the provision of services to individuals, the conduct of schools or classes, and the management of cultural and educational institutions or programs of service; and the "regulatory" functions are accreditation, certification, and licensing.

The chief state school officers devised a somewhat different set of "functions," which has been incorporated into USOE forms related initially to Title V of the E.S.E.A. In the CSSO format, the functions (somewhat abbreviated here) are: general administration of the agency; research and development; provision of material and financial support to other units; provision of technical assistance on instructional matters; provision of technical assistance on administrative matters; and operation of facilities, schools, programs, and services. When this format is set in the context of an accounting system or a reporting system regarding department of education expenditures, other "nonfunction" categories are required to complete the financial picture: the costs of general overhead and employee benefits and the value of material and financial support dispensed to other educational agencies.

This study essentially accepts the CSSO format. The data generated by a satisfactory information system, however, also should be susceptible to regrouping into alternative "functional" classifications.

[1/] Citation given in note (1), Chart A-2, below.

Two points deserve further discussion. First, any classification of the Department's work into 10 or a dozen "functions" is relatively arbitrary and produces very broad groupings; such classification formats therefore yield readily to further subclassification and refinement whenever needed. Second, a given "function" may be performed by the Department for each of several goals or purposes, in attention to many different problems, for the sake of many different clienteles, motives, tasks, etc. Analysis by function, therefore, is independent of analyses by other dimensions.

Analysis by function is useful and informative. The department of education's information system, accordingly, must be built with the capacity to respond to inquiries oriented to a classification by function or subfunction.

The following pages contain two closely related versions of the dimension "function": first, the USOE code of "State Education Agency Program Functions" and, second, a more narrowly one-dimensional code of major functions and subfunctions.

Clientele. Educational activities serve various categories of people who, for one reason or another, can be viewed as separate groups. Each group may require separate attention. To view people in these groupings opens a line of inquiry that may ignore such factors as instructional level in order to ask: what part of the Department's attention is devoted to children who are extraordinary in one respect or another? or, what part is devoted to a population confronted by one or another special problem? The department of education's information system must contain the capacity to respond to inquiries about the Department's attention to such identifiable clienteles within the population.

Purpose. "Purpose Pursued by Educational Effort" is another valid and meaningful dimension on which to array data ragarding the Department's work. As used in these discussions, "purpose" does not refer to the overriding goals, purposes, or objectives of the state education agency. It refers rather to the questions: for what reason do people go to school? or, for what reason does the educational system offer specified opportunities for schooling?

One "purpose" (in this sense of reason or motive) leads educators and students into job-oriented, marketplace-oriented educational activity. For another part of education effort, the primary purpose (in this sense of reason or motive) is the cultivation of civilized citizens. For yet another portion of the total educational enterprise, the primary purpose is the rehabilitation of persons who, in another age, would merely have been discarded, or the assimilation into society of persons who might otherwise remain on its fringes (e.g., for ignorance of the English language, for unfamiliarity with urban living, for inability to read and write, etc.). It is inevitable and reasonable that questions will be raised regarding the extent to which the Department's attention is invested in support of each of these purposes. It is therefore necessary that the Department's information system be built to supply responses to such questions.

Subject Matter. Similarly, educational programs impart instruction in various subjects, i.e., academic disciplines, skills, arts, crafts, etc. This creates another separate line of inquiry; what part of the Department's attention is devoted to each subject or category of subjects? The Department's information system must be equipped to yield responses to such inquiries.

Instructional Level. The basic large-scale task of an educational system is the education of children and adolescents, in preschool, elementary school, and secondary school programs. The most obvious line of inquiry regarding the department of education's work, therefore, emphasizes the Department's attention to each of the principal instructional levels: what part of the Department's attention is invested at the preschool level, the elementary grade level, the secondary grade level, the postsecondary level, respectively? The Department's information system, clearly, must be capable of responding accurately to such questions.

Longevity of Cost Center. It is advantageous for management to be able to differentiate cost centers in terms of the probability of their continuing existence. A cost center that represents the Department's "front office," for example, is expected to remain on the books indefinitely and must be included in budget projections into the future. On the other hand, a cost center that represents a "one-shot" short-term project can be deleted from such projections because its early demise is readily predictable. The life expectancy of each cost center can be estimated with reasonable accuracy.

The estimates of "longevity" can be reduced to a few uniform categories within a dimension. The proper categorization can be added to the record of each cost center. When required, reports can be generated which indicate the extent of the future commitments that already are built into the agency's current program of work.

Reports on this basis are useful to the agency, but not necessarily for purposes of exchanging information with others. Each agency can elect whether to use this dimension and, if it is to be recorded, can devise categories that are suitable to local circumstances.

Example:

Code	Category
1.	Cost centers scheduled for termination this year.
2.	Cost centers scheduled for probable continuation into next year, but subject to review.
3.	Permanent.

Funding Plan. In effect, each "funding plan" is a sub-budget utilized to establish the connections that link together (1) a specified segment of the expenditure plan and (2) the revenue item(s) that are deemed to support that segment. When several cost centers are involved and when several overlapping revenue items also are involved, a funding plan may be quite a complex statement; under other circumstances, a funding plan may simply record the fact that one specified revenue item is linked to one specified cost center.

Each cost center is linked to one funding plan, whether the plan is complex or simple. Each funding plan is assigned an identifying number. Assignment to funding plan becomes an added basis for the classification and grouping of cost centers: the dimension may be termed "assignment to funding plan," and the identifying numbers of the several funding plans may be regarded as categories.

"Program" Dimensions. The word "program" has so many meanings that its use becomes somewhat dangerous. In any given context, the word's meaning is likely to be clear enough; in virtually all usage, "program" refers to some substantive portion of operations. However, the phrase "a program" is a most ambiguous expression, unless a limited and explicit meaning is assigned to it arbitrarily.

Each cost center is a component of the department of education's total "program." At one level of abstraction, in fact, each cost center may be referred to as "a program."

However, an agency may record hundreds of cost centers in its accounts. It is awkward to suggest that the agency conducts hundreds of programs. Appearing before a legislative committee, for example, the state superintendent scarcely would choose to begin to enumerate all cost centers, one by one.

At various times and for various reasons, it is extremely useful to combine cost centers into clusters and to regard each cluster as "a program." When cost centers are thus grouped--in terms of any rational basis--it is perfectly reasonable to term each cluster "a program."

In this sense, every dimension is the basis for enumeration of one version of department of education programs, and every category in effect becomes the title of one program. Thus, when cost centers are arrayed on the basis of their categorization by level of instruction, the resulting clusters of data represent "the elementary program," "the secondary education program," and so forth. When they are arrayed on the basis of their categorizations by subject matter emphasis, the resulting clusters represent another version of "the Department's programs."

Thus utilized, "programs" are not mutually exculsive, of course; they represent various manners of perceiving and describing the same total of work. For example, some portion of "the elementary education program" is simultaneously a part of "the science and math program."

The department of education may choose to devise further versions of "program" arrays. For example, when he appears before the Department of Budget and Procurement, Governor and cabinet, or state legislature's appropriations committees, the state superintendent may find it advantageous to depict the Department's operations as being comprised of a half-dozen major, dramatically labelled, high-impact "programs." Each such program might encompass, in fact, dozens of cost centers.

When the state superintendent discusses such matters with the Board of Education, on the other hand, it may prove advantageous to identify more "programs." The Board, after all, is likely to be more knowledgeable about the work of the Department than is the legislative committee, and the Board is likely to expect more detailed data than a legislative committee is willing even to tolerate.

Therefore, for purposes of the Board's review, it may be desirable to depict the Department's operations as being comprised of some larger number of "programs," more than the legislature's half-dozen, but still fewer than the total number of cost centers.

The state government may undertake to place its entire budget on a "program basis." The state budget may be divided into a limited number of "programs," each of which represents a wide swath of total governmental operations. Most segments of the education department's work may fit into one such program; others, however, may be relatively dispersed. For example, one government-wide program may be "education," and the bulk of the department of education's work may fit therein; but another government-wide program may be "regulation and licensing," and substantial segments of the Department's operations may have to be so classified.

These few examples suggest a series of "program dimensions": (1) a very compact set of programs, suitable for presentation to the legislature; (2) a somewhat larger set of programs, suitable for presentation to the Board of Education; and (3) the set of programs chosen by the Department of Budget and Procurement for expression of government-wide operations. Just as each cost center is categorized to indicate its placement as perceived from the point of view of the other dimensions, each cost center may be categorized in terms of its placement within each version of "program," if such versions are in fact adopted.

The number of "program dimensions" is not an important matter, for the addition of a new dimension is unlikely to increase the volume of work or the difficulty of systems operations. When a new dimension is recognized, each cost center must be categorized, and the code number that corresponds to the category must be recorded in the master record of the cost center. When reports are to be prepared on the basis of any such dimension, cost centers can be grouped as needed, on the basis of the categorizations previously recorded, and group totals can be developed.

Chart A-1

CODE SHEET - OE 5164-C
(REV. 5-68)

STATE EDUCATION AGENCY PROGRAM FUNCTIONS

PROGRAM FUNCTION	
CODE NO.	CATEGORY
100.000	**GENERAL ADMINISTRATION**
101.000	*State Education Agency Board(s), Commission(s), Committee(s)*
101.100	Office of State Board of Education *(if staffed by other than Office of CSSO)*
101.200	Office of Executive Officer(s) *(other than CSSO)* responsible directly to SBE
101.300	Office of State Board for Vocational Education *(if staffed separately from SBE or office of CSSO)*
101.400	Office of Executive Officer(s) *(other than CSSO)* responsible directly to SBVE
101.500	Office of State Education Agency subsidiary or advisory Board(s), Commission(s), Committee(s) other than the SBE or SBVE
101.600	Offices of Executive Officer(s) *(other than the CSSO)* responsible to State education agency subsidiary or advisory board(s), commission(s), and committee(s) other than the SBE or SBVE
111.000	*Office of Chief State School Officer*
111.100	Office of Chief State School Officer *(CSSU)*
111.200	Office of Deputy or Assistant(s) to CSSO *(When not chargeable to other program functions)*
111.300	Office of Coordinator of State-Federal Programs
111.400	Coordination of special programs concerning human rights
111.900	Other *(Specify)*
131.000	*Departmental Internal Administration*
131.100	General Direction and Management of Departmental Internal Administration Functions
131.200	Program Management
131.300	Personnel Management
131.400	Budget
131.500	Business Management *(Payroll, Purchasing, Supply Accounting, Internal Audit, Mail Controls, et cetera)*
131.600	Other *(Specify)*
141.000	*Departmental Internal Supporting Services (Exclude Research)*
141.100	General Direction and Management of Departmental Internal Supporting Services Functions
141.200	Legal and Legislative
141.300	Library—Professional
141.400	Statistics and Data Processing
141.500	Graphic Arts, Publications, and Editorial Services
141.600	Information Services
141.900	Other Departmental Internal Supporting Services *(Specify)*
191.000	*Developing State Education Agency Staff Competencies*
191.100	General Direction and Management of Programs for Developing the Competencies of State Education Agency Staff
191.200	Preservice Orientation and Training
191.300	Sabbatical Leave
191.400	Inservice Fellowships, Traineeships, Internships, et cetera
191.500	Institutes, Workshops, Conferences, Special Courses
191.600	Other *(Specify)*
199.000	*Other General Administration*
200.000	**DEPARTMENTAL SUPPORTING SERVICES FOR LOCAL EDUCATION AGENCIES**
201.000	*General Direction and Management of Departmental Supporting Services for Local Education Agencies*
211.000	*Educational Aid Distribution*
211.100	For State Supported Programs
211.200	For the Federal Programs [illegible]grams with Federal Participation
211.300	Other Educational Aid Distribution Programs *(Specify)*
221.000	*Textbooks, Instructional Materials, and Equipment Distribution and Services*
231.000	*Surplus Property Distribution*
241.000	*Surplus Commodities Distribution*
251.000	*Statistical and Data Processing Services*
299.000	*Other Departmental Supporting Services for Local Education Agencies (previously coded 261.000) (Specify)*
300.000	**STUDY, PLANNING, DEVELOPING, AND EVALUATING STATE EDUCATIONAL PROGRAMS**
301.000	*General Direction of Study, Planning, Developing, and Evaluating State Education Programs*
311.000	*Study, Planning, and Evaluating State Educational Programs on a Comprehensive Basis*
321.000	*Study, Planning, Developing, and Evaluating Specific Aspects (Other than Curriculum) of Education in the State*
321.100	Study, Planning, and Evaluating State Education Agency Programs
321.200	Legal and Organizational Structure of Education
321.300	Administration and Management of Education
321.400	Financing Education
321.500	School Plant Facilities
321.600	Measuring Achievement of Pupils
321.700	Staffing of Educational Programs
321.800	Other *(Specify)*
331.000	*Curriculum Research and Development, including Study, Planning, Demonstration, Innovation, and Evaluation*
331.100	General Direction of Curriculum Research and Development Function
331.200	Centers for Research, Demonstration, and Innovation
331.300	Vocational-Technical Education Research Programs
331.400	Dissemination of Information on Curriculum Research and Development
331.500	Other *(Specify)*
341.000	*Collecting, Interpreting, and Disseminating Information on the Condition, Needs, Progress, and Improvement of Education*
399.000	*Other Study, Planning, Development, and Evaluation for Improvement of State Educational Programs (Specify) (previously coded 391.000)*
400.000	**LEADERSHIP, CONSULTATIVE, AND TECHNICAL SERVICES TO LOCAL EDUCATION AGENCIES FOR IMPROVEMENT OF INSTRUCTION**
401.000	*General Direction and Management of Leadership, Consultative, and Technical Assistance to Local Education Agencies for Improvement of Instruction*
401.100	For Combined Vocational and Non-Vocational Programs
401.200	For Non-Vocational Programs
401.300	For Vocational Programs
405.000	*Generalized Leadership, Consultative, and Technical Services for the Improvement of Instruction—by Program or Level*
405.100	Pre-Kindergarten Education
405.200	Kindergarten Education
405.300	Elementary Education, grades ________
405.400	Secondary Education, grades ________
405.500	Combination Elementary and Secondary, grades ____________
405.600	Adult Education
405.700	Technical Institutes
405.800	Area Vocational/Technical Schools
405.900	Junior *(Community)* Colleges
405.910	Senior Colleges & Universities
405.990	Other *(previously coded 405.100) (Specify)*
411.000	*Leadership Consultative and Technical Assistance in Subject Areas and Instructional Services*
411.005	*Arts and Humanities (Combination)*
411.010	Art, grades __________
411.020	Music, grades __________
411.030	English Language Arts, Including: Speech, Dramatic Arts, and Forensics. Excludes reading specialization. Grades ______ ____________
411.040	Reading, grades ____________
411.050	Foreign Languages, grades __________
411.060	Social Sciences/Social Studies, grades ______ ____________

Chart A-1 (continued)

STATE EDUCATION AGENCY PROGRAM FUNCTIONS

PROGRAM FUNCTION	
CODE NO.	CATEGORY
411.061	Economics *(previously part of code 411.060)* grades ________
411.062	Civics *(previously part of code 411.060)* grades ________
411.063	Geography *(previously part of code 411.060)* grades ________
411.064	History *(previously part of code 411.060)* grades ________
411.065	Other *(previously part of code 411.060)* grades ________
411.070	Mathematics, grades ________
411.080	Natural Sciences, grades ________
411.090	Health and Safety Education, Driver Education, Physical Education, and Recreation, grades ________
411.100	Industrial Arts, grades ________
411.110	Agriculture, grades ________
411.120	Home Economics, grades ________
411.130	Manpower Training
411.140	Business Education, Non-Vocational
411.150	Office Occupations
411.160	Trade and Industrial Education
411.170	Health Occupations
411.180	Distribution and Marketing
411.190	Technical Education
411.200	Socially or Economically Disadvantaged *(previously coded 411.303)*
411.210	Basic Literacy Education *(previously coded 411.304)*
411.300	Special Education
411.310	General Direction of Leadership, Consultative, and Technical Assistance in Special Education *(previously coded 411.301)*
411.320	Mentally Retarded *(previously part of code 411.302)*
411.330	Speech Handicapped *(previously part of code 411.302)*
411.335	Hearing Handicapped
411.340	Deaf *(previously part of code 411.302)*
411.350	Visually Handicapped *(previously part of code 411.302)*
411.360	Emotionally Disturbed *(previously part of code 411.302)*
411.370	Crippled *(previously part of code 411.302)*
411.375	Other Health Impaired
411.380	Gifted and Talented *(previously coded 411.305)*
411.390	Other Special Education *(Specify)* *(previously coded 411.306)*
411.400	School Library Services, grades ________
411.410	Audiovisual Services, grades ________
411.420	Textbook and Other Instructional Materials, grades ________
411.990	Other Specialized Instructional Subject or Service Area *(Specify)*
431.000	*Pupil Personnel Services*
431.100	Pupil Accounting and Attendance, and Visiting Teachers and Social Work Services
431.200	Pupil Guidance and Counseling Services
431.300	Pupil Health Services
431.400	Pupil Psychological Services
431.500	Other *(Specify)*
491.000	*Leadership and Consultative Assistance in Developing the Competencies of Professional Staffs of Local Education Agencies*
491.100	Preservice Orientation and Training
491.200	Sabbatical Leave Programs
491.300	Fellowships, Traineeships, Internships
491.400	Institutes, Workshops, Conferences, Special Courses
491.500	Other *(Specify)*
499.000	*Other Leadership Consultative and Technical Services to Local Education Agencies for Improvement of Instruction (Specify)*
500.000	LEADERSHIP, CONSULTATIVE, AND TECHNICAL SERVICES TO LOCAL EDUCATION AGENCIES FOR THE IMPROVEMENT OF ADMINISTRATIVE ASPECTS OF EDUCATION
501.000	*General Direction of Leadership, Consultative, and Technical Assistance Services to Local Education Agencies for Improvement of Administrative Aspects of Education*
511.000	*Specialized Aspects of the Organization, Administration, and Operation of Local Education Agencies*
511.100	District and School Organization and Administration
511.200	School Plant Facilities
511.300	Pupil Transportation
511.400	School Lunch
511.500	Statistical Services, Including Data Processing
511.600	Financial and Business Management
511.700	Other *(Specify)*
591.000	*Leadership and Consultative Assistance in Developing the Competencies of District-Wide Administrative and Technical Services Staff*
591.100	Preservice Orientation and Training
591.200	Sabbatical Leave
591.300	Fellowships, Traineeships, Internships
591.500	Other *(Specify)*
599.000	*Other Leadership, Consultative, and Technical Services to Local Education Agencies for the Improvement of Administrative Aspects of Education. (Specify)*
600.000	STATE DEPARTMENT OPERATED FACILITIES, SCHOOLS, PROGRAMS, AND SERVICES
601.000	*School Accreditation, Licensing, and Chartering*
601.100	Elementary and Secondary Schools
601.200	Postsecondary *(Excluding Colleges and Universities granting a baccalaureate or higher degree)*
601.300	Colleges and Universities
601.900	Other *(Specify)*
611.000	*Improving Teacher Education Programs*
611.100	Institutional Programs
611.200	Student Teaching Programs
611.300	Other *(Specify)*
621.000	*Certification and Licensing*
621.100	Of School Personnel
621.200	Of Nonschool Personnel
631.000	*Special Schools*
636.000	*Colleges & Universities*
641.000	*Educational Television*
651.000	*Vocational Rehabilitation*
661.000	*Special Cultural Programs and Services*
661.100	State Library
661.200	Public Library and Library Extension Services
661.300	Museums
661.400	Music, Art, and Dramatic Arts
661.500	Other Special Cultural Programs *(Specify)*
671.000	*Pupil Scholarship and Assistance Programs*
671.100	Scholarships and Other Honor Programs
671.200	Work-Study Programs
681.000	*Civil Defense Education*
691.000	*Direct Assistance to Individual Staff Members of Local Education Agencies and Schools for Preservice and Inservice Development*
691.100	Preservice Orientation and Training
691.200	Sabbatical Leave
691.300	Fellowships, Traineeships, Internships, et cetera
691.400	Other *(Specify)*
699,000	*Other State Department Operated Facilities, Schools, Programs, and Services (Specify)*
700.000	GENERAL *(UNALLOCATED)* FUNCTIONS *(Specify)*
800.000	EMPLOYEE BENEFITS *(WHEN NOT ALLOCATED AMONG THE FUNCTIONS)*
900.000	OTHER STATE EDUCATIONAL AGENCY PROGRAM FUNCTIONS *(Specify)*

Chart A-2

DIMENSION: MAJOR FUNCTION (1)

Categories

100 General Administration

200 Providing Material or Financial Support and/or Service (3)

(Observe that major functions 200, 400, and 500 are closely related: each represents Department of Education efforts that are intended to aid the programs of other educational units.)

300 Study, Planning, Developing, and Evaluating Educational Phenomena

400 Providing Technical Assistance re Instructional Matters

500 Providing Technical Assistance re Administrative Matters

600 Operating Facilities, Schools, Programs, and Services

(Observe that the following categories are, in a sense, "nonfunction" items: the first represents portions of the "cost of doing business"; the other is a measure of one segment of the agency's "volume of business.")

700 General Unallocated Expense (2)

800 Value of Money and Material Distributed to Other Units (3)

Observations/Definitions/Comments

(1) Note that the eight major categories enumerated correspond to the major categories of "program function" per USOE forms OE 5164-C *et al*. They are believed to be virtually all-encompassing; accordingly, no "Other" category is listed, but an agency of course can open and add a category to accommodate work not otherwise provided for. Note also that these eight major categories--and subcategories to be defined--accommodate the categories identified in Fred F. Beach, *The Functions of State Departments of Education* (Federal Security Agency, Office of Education, 1950).

(2) Such overhead items as power, heat, space, etc., may be *unallocated* in many accounting systems, i.e., not charged to specific organizational units, functions, programs, etc. Note that the variations in practice with respect to this matter *could* make interstate comparisons of data extremely difficult; fortunately, most items involved can be screened out for purposes of comparison, on the basis of "object of expenditure" classification.

(3) Some expenditures made or authorized by the Department of Education are not a part of the costs of operating the agency; rather, they reflect the value of money and material that is distributed *via* the agency *to* other units. The expense of the distribution process is a department expense. Hence, two separate categories of function: numbers 200 and 800.

Chart A-3

DIMENSION: MAJOR AND MINOR FUNCTIONS

Categories

100 General Administration

110 Department of Education
120 Executive office of the State Superintendent of Schools and immediate staff
130 Departmental internal administration
140 Departmental internal supporting services
190 Other

200 Providing Material or Financial Support and/or Service

201 Administration
210 Distribution: financial aid
220 Distribution and services: textbooks, instructional materials, and equipment
230 Distribution: property
240 Distribution: commodities
250 Statistical and data processing services
290 Other supporting services

300 Study, Planning, Developing, and Evaluating Educational Phenomena

301 Administration
310 Comprehensive: general surveys and studies
320 Specific aspects: other than curriculum
330 Specific aspects: curriculum research and development
340 Information on the condition, needs, progress, and improvement of education: collecting, interpreting, and disseminating
390 Other

400 Providing Technical Assistance re Instructional Matters

401 Administration
410 Generalized services
Special services:
420 Curriculum
430 Methodology
440 Tests and testing
450 Learning resources
451 Library
452 Instructional materials development
453 Audio visual
454 ETV
460 Pupil personnel
490 Other

Chart A-3 (continued)

	Categories
500	Providing Technical Assistance re Administrative Matters
501	Administration
510	Generalized services
	Special services:
520	Personnel administration
530	Finance and business administration
540	Transportation
550	Health and welfare
560	Food services
570	Data Processing
580	Facilities planning
581	Plant management
590	Other
600	Operating Facilities, Schools, Programs, and Services
601	School accreditation, licensing, and chartering
610	Improving teacher education programs
620	Certification and licensing
630	Educational operations:
631	Schools
636	Colleges and universities
639	Other
640	Educational television
650	Vocational rehabilitation
660	Special cultural programs and services
670	Pupil scholarship and assistance programs
680	Developing staff competencies within agencies served: direct assistance to individuals
690	Other
700	General Unallocated Expense
750	Employee benefits
800	Value of Money and Material Distributed to Other Units

Chart A-4

DIMENSION: CHARACTERISTICS OF TARGET CLIENTELE

Categories

10 Typical "Student" Populations

11 "Regular" students only
18 "Exceptional" students
19 All

20 Social-Ethnic-Economic Populations (1)

21 Immigrants
22 Migrant workers (2)
23 Disadvantaged
24 Unemployed
25 Undereducated youth and adults
28 Other
29 All

30 Educators

31 Prospective (3)
32 Classroom teachers in service
33 Administrative and supervisory
34 Specialists and technicians
35 School boards
39 All

40 Nonschool Publics

41 General public
42 Commercial/industrial/labor groups
43 Civic/service groups
49 All

50 Miscellaneous Categories

51 All
52 Unpredictable combinations
53 None
54 Not applicable

Observations/Definitions/Comments

(1) Refers to populations not in the typical pupil groups.

(2) Also includes families of migrant workers.

(3) E.g., teachers in training.

Chart A-5

DIMENSION: PURPOSE PURSUED BY EDUCATIONAL EFFORT

	Categories
10	General Schooling (1)
20	Work-Oriented Schooling or Training
21	All
22	"Technical"
23	"Occupational" (2)
24	"Professional" (3)
30	Work-Oriented Reschooling or Retraining
31	All
32	Professional upgrading, refreshers, etc.
33	Occupational retraining
40	Education for Adaptation, Adjustment or Assimilation
41	All
42	Physical rehabilitation
43	Basic, literacy or fundamental (4)
44	Other
50	Education for Leisure, Recreation, or "Personal and Cultural Improvement" (5)
51	All
52	Personal care (6)
53	Sports, athletics
54	Hobbies, arts, and crafts
55	"Culture"
56	Family relations
57	Civil defense
59	Other
60	Miscellaneous Categories
61	All
62	Unpredictable combinations
63	None
64	Not applicable

Observations/Definitions/Comments

(1) Refers to general educational programs, for typical students at all grade levels, aimed at producing a civilized, literate, "educated" society of "good men, good citizens" and aimed also at preserving the culture.

(2) Usually secondary level or non-collegiate postsecondary.

(3) Usually higher education.

(4) Refers to educational programs for (among others): assimilation of immigrants; adaptation to urban living; adjustment calculated to overcome social or cultural disadvantage; etc.

(5) Refers largely to casual, typically "noncredit," spare-time, after-hours varieties of educational programs of the kinds often available at community-oriented schools, colleges, or centers; refers also to organized, often competitive adjuncts to general schooling.

(6) E.g., physical education, health, etc.

Chart A-6

DIMENSION: SUBJECT MATTER

Categories

"Academic" Discipline Areas

10 Humanities (1)
20 Mathematics and sciences (2)
30 Social sciences

"Nonacademic" Subjects

40 Involving skills (3)
50 Involving crafts (4)
60 Involving special subjects (5)
70 Involving personal care (6)

Miscellaneous Categories

91 All
92 Other
93 Not applicable

Observations/Definitions/Comments

(1) Includes art, music, language, literature, etc.

(2) Includes physical, chemical, and biological sciences.

(3) Includes typing, automobile driving, etc.

(4) Includes automotive repairs, etc.

(5) Includes subjects applied to a particular phase of life, e.g., to agriculture, domestic sciences, or industry.

(6) Includes physical education, etc.

Chart A-7

DIMENSION: INSTRUCTIONAL LEVEL (1)

Categories

10 Preelementary Education (2-a)

20 Elementary Education (2-b)

30 Secondary Education (2-c)

Postsecondary Education (3)

40 Collegiate postsecondary:
41 Junior or community college
42 Other college or university

50 Noncollegiate postsecondary (4)

60 All postsecondary education

80 Combinations of Instructional Levels

81 Prekindergarten through elementary
82 Prekindergarten through secondary
83 Elementary plus secondary
84 Elementary through postsecondary
85 Secondary plus postsecondary
86 All levels

Miscellaneous Categories

99 "None" or not applicable

Observations/Definitions/Comments

(1) Note that this is not a device for classifying pupils in the schools. It is a device for categorizing the efforts of agency personnel: are their efforts aimed at one broad level of instruction rather than another? Categories therefore are rather broad, and specific grade levels are ignored, on the assumption that a component of the Department's program is unlikely to be limited, say, to the grade 5 level only.

(2) The first three categories distinguish two separate characteristics, in fact; age groupings and conventional grade-level groupings, as follows:

a. Preelementary = infants, e.g., usual ages below 6.

b. Elementary = children, e.g., usual ages 6-13.

c. Secondary = adolescents, e.g., usual upper age limit 19.

(3) Postsecondary categories similarly accommodate an age distinction as well as an indication of level: these categories refer to post high school youth and to adults.

(4) Includes "adult education" of the basic, literacy, etc., categories.

Appendix III

COST CENTERS

COST CENTERS		PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
NO.	NAME									
	(Division of Administration and Finance)									
001	Board of Education	101.000			110	54	61	91	86	
002	Executive Office of Superintendent	111.000			120	54	61	91	86	
003	Planning and Development Services	299.000			290	54	64	93	82	
004	Organization Study	131.100			130	54	64	93	99	
005	Project Information System	141.100			140	54	64	93	99	
006	Administration and Finance Divisional Administration	131.100			130	54	64	93	99	
007	Departmental Purchasing	131.500			130	54	64	93	99	
008	Personnel Administration	131.300			130	54	64	93	99	
009	Budgeting	131.400			130	54	64	93	99	
010	Publications and Editing	141.500			140	54	64	93	99	
011	Accounting	131.500			130	54	64	93	99	
012	Field Auditing	299.000			290	54	64	93	99	
013	School Lunch Program: Commodities	241.000			240	19	64	93	82	
014	School Lunch Program: Financial Aid	211.000			210	19	64	93	82	
015	State Aid Program	211.000			210	19	64	93	82	
016	Driver Education	211.000			210	19	59	40	30	
017	Pupil Transportation: Financial Aid	211.000			210	19	64	93	83	
018	Pupil Transportation: Regulation	299.000			290	54	64	93	99	
019	School Plant Planning	511.200			580	54	64	93	99	

COST CENTERS										
NO.	NAME	PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
	(Division of Research and Development)									
020	Research and Development Divisional Administration	141.100			130	54	64	93	99	
021	Data Processing	141.400			140	54	64	93	99	
022	Technical Assistance: Statistics and Methods	141.400			140	54	64	93	99	
023	Development of ETV	641.000			640	19	10	91	84	
024	Basic Educational Data Bank	141.400			140	51	63	91	86	
025	Educational Aid Distribution	211.000			210	54	64	91	82	
026	EDP Services to Other Agencies	511.500			570	54	64	93	99	
	(Division of Federal-State Programs)									
027	Federal-State Programs Divisional Administration	111.300			130	19	62	91	86	
028	Federal-State Liaison	111.300			130	19	62	91	86	
029	Distribution of Financial Aid	211.200			210	19	62	91	86	
	(Division of Instruction)									
030	Instruction Divisional Administration	401.000			401	51	61	91	86	
	* * *									
	The following series of Cost Centers pertains to various aspects of Adult Education.									
031	Adult Basic Education	405.600			410	25	43	91	50	

COST CENTERS										
NO.	NAME	PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
032	General Adult Education	405.600			410	41	61	91	50	
033	Parent Education	405.600			410	41	56	60	50	
034	Civil Defense Education	405.600			410	41	57	60	50	
035	General Adult Education: Financial Aid	211.000			210	41	61	91	50	
	* * *									
	The following series of Cost Centers pertains to various aspects of general services re school operation and school curricula.									
036	Supervisor of Elementary Schools	511.000			510	19	10	91	20	
037	Supervisor of Secondary Schools	511.000			510	19	10	91	30	
038	General Curriculum: Elementary Schools	405.300			410	19	10	91	20	
039	General Curriculum: Secondary Schools	405.400			410	19	10	91	30	
040	State Curriculum Center	411.420			452	30	61	91	82	
	* * *									
	The following series of Cost Centers pertains to various aspects of specialized student-oriented services rendered.									
041	Guidance Services	431.200			460	19	62	93	82	
042	Pupil Services and Personnel	431.600			460	19	62	93	82	
043	Psychological Services	431.400			460	19	62	93	82	
044	Pupil Personnel: Financial Aid	211.000			210	19	62	93	82	
045	Special Education: General	411.300			420	18	62	91	82	
046	Special Education: Institutions	411.390			410	18	41	91	86	
047	Special Education: Research	411.390			430	18	61	91	86	

COST CENTERS		PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
NO.	NAME									
048	Special Education: Distribution of Financial Aid	211.000			210	18	62	91	82	
	* * *									
	The following series of Cost Centers pertains to various aspects of professional services rendered re specific segments of instructional programs.									
049	English: Elementary	411.030			420	19	10	10	20	
050	English: Secondary	411.030			420	19	10	10	30	
051	Art: Elementary	411.010			420	19	10	10	20	
052	Art: Secondary	411.010			420	19	10	10	30	
053	Music: Elementary	411.020			420	19	10	10	20	
054	Music: Secondary	411.020			420	19	10	10	30	
055	Foreign Language: Elementary	411.050			420	19	10	10	20	
056	Foreign Language: Secondary	411.050			420	19	10	10	30	
057	Reading: Elementary	411.040			420	19	10	10	20	
058	Reading: Secondary	411.040			420	19	10	10	30	
059	Math: Elementary	411.070			420	19	10	20	20	
060	Math: Secondary	411.070			420	19	10	20	30	
061	Science (Physical and Biological): Elementary	411.080			420	19	10	20	20	
062	Science (Physical and Biological): Secondary	411.080			420	19	10	20	30	
063	Social Science: Elementary	411.060			420	19	10	30	20	
064	Social Science: Secondary	411.060			420	19	10	30	30	
065	Driver Education	411.090			420	19	52	40	30	

COST CENTERS		PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
NO.	NAME									
066	Physical Education: Elementary	411.090			420	19	52	70	20	
067	Physical Education: Secondary	411.090			420	19	52	70	30	
068	Health Education: Elementary	411.090			420	19	52	70	20	
069	Health Education: Secondary	411.090			420	19	52	70	30	
	(Division of Vocational Education)									
070	Vocational Education Divisional Administration	401.300			401	52	23	60	85	
071	Technical Education: Secondary	411.190			420	19	23	60	30	
072	Technical Education: Adult	411.190			420	41	23	60	50	
073	Manpower Training: Secondary	411.130			420	19	23	60	30	
074	Manpower Training: Adult	411.130			420	41	23	60	50	
075	Home Economics: Secondary	411.120			420	19	23	60	30	
076	Home Economics: Adult	411.120			420	41	23	60	50	
077	Trade and Industrial: Secondary	411.160			420	19	23	60	30	
078	Trade and Industrial: Adult	411.160			420	41	23	60	50	
079	Service to Industry: Adult	411.390			490	42	23	60	50	
080	Distributive Education: Secondary	411.180			420	19	23	60	30	
081	Distributive Education: Adult	411.180			420	41	23	60	50	
082	Industrial Arts: Secondary	411.100			420	19	23	60	30	
083	Industrial Arts: Adult	411.100			420	41	23	60	50	
084	Agriculture: Secondary	411.110			420	19	23	60	30	
085	Agriculture: Adult	411.110			420	41	23	60	50	
086	Business and Office: Secondary	411.150			420	19	23	60	30	

COST CENTERS		PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
NO.	NAME									
087	Business and Office: Adult	411.150			420	41	23	60	50	
088	Distribution of Financial Aid	211.100			210	54	64	93	99	
	(Division of Vocational Rehabilitation)									
089	Rehabilitation Divisional Administration	651.000			650	52	42	91	85	
090	Administration of Local Offices	651.000			650	52	42	91	85	
091	Disability Determination Unit	651.000			650	52	64	93	99	
092	Client Counseling: General	651.000			650	52	64	91	85	
093	Client Counseling: in Schools	651.000			650	18	64	91	30	
094	Client Counseling: in Correctional Institutions	651.000			650	52	64	91	85	
095	Client Counseling: in Hospitals	651.000			650	52	64	91	85	
096	Treatment: General	651.000			650	52	64	91	85	
097	Treatment: in Schools	651.000			650	18	64	91	30	
098	Treatment: in Correctional Institutions	651.000			650	52	64	91	85	
099	Treatment: in Hospitals	651.000			650	52	64	91	85	
	(Division of Certification and Accreditation)									
100	Certification Division Administration	131.200			130	54	64	93	99	
101	Accreditation: College-level Programs	601.300			601	19	62	91	40	
102	Accreditation: Secondary-level Programs	601.100			601	19	61	91	81	
103	Accreditation: Trade and Technical Programs	601.200			601	19	21	91	50	
104	Accreditation: Elementary-level Programs	601.100			601	19	10	91	81	
105	Certification	621.100			620	30	61	91	86	

COST CENTERS		PROGRAM FUNCTIONS: USOE CODE	FUNDING PLAN	LONGEVITY	FUNCTION	CLIENTELE	PURPOSE	SUBJECT MATTER	INSTRUCTIONAL LEVEL	"PROGRAM"
NO.	NAME									
106	Licensing Solicitors: Non-Public Specialized Schools	621.200			620	54	64	93	99	
107	High School Equivalence	699.000			639	25	10	91	30	
108	Evaluation Development and Approval of Teacher Education Programs	611.100			610	31	24	91	40	
109	Improving Teacher Practicum Experiences	611.200			610	31	24	91	40	
110	Improving Teacher Recruitment	491.500			520	33	64	93	82	
	(Division of Library Extension)									
111	Library Division Administration	141.100			140	54	64	93	99	
112	Operation of Professional Library	141.300			140	39	64	93	99	
113	Services to Public Libraries	661.200			660	41	61	91	86	
114	Services to School Libraries	441.400			451	19	10	91	82	
115	Services to Special Libraries (e.g., institutional libraries, library services for the blind, etc.)	661.200			660	51	10	91	86	
116	Provision of Financial and Material Aid	211.000			210	54	64	93	99	

Appendix IV

FINANCIAL INFORMATION

MARYLAND STATE DEPARTMENT OF EDUCATION

DAILY COST CENTER TRANSACTION JOURNAL

April 16, 1967

FISCAL YEAR	APPROPRIATION NAME AND NUMBER	ORGANIZATION NAME AND NUMBER
1966-67	01 General Operating Expenditures	07 Division of Instruction

JECT	DESCRIPTION	LIQUIDATING DOCUMENT NO.	TRANSACTION CODE	TRANSACTION DOCUMENT NO.	ALLOCATIONS	REQUIS
01					$ 52,340.78*	-0
01	April 15 Payroll		62	4389		
01					52,340.78*	-0
02					28,320.00*	$1,25
02	Liquidation of Requisition		41	0210		-1,25
02	Jones Supply Company	41 0210	51	9874		
02					28,320.00*	-0
03					12,345.67*	-0
03	Direct Expenditure-- C & P Telephone Company		61	1234		
03					12,345.67*	-0
99	Unrealized Allocation				-8,000.00*	
	TOTALS				$120,000.00*	$3,5

MARYLAND STATE DEPARTMENT OF EDUCATION

DAILY COST CENTER TRANSACTION JOURNAL

April 16, 1967

ER	ORGANIZATION NAME AND NUMBER	COST CENTER NAME AND NUMBER
ures	07 Division of Instruction	030 Divisional Administration

CTION S	TRANSACTION DOCUMENT NO.	ALLOCATIONS	REQUISITIONS	ENCUMBRANCES	EXPENDITURES	AVAILABLE BALANCE
		$ 52,340.78*	-0-*	-0-*	$38,420.50*	$13,920.28*
	4389				1,250.00	
		52,340.78*	-0-*	-0-*	39,670.50*	12,670.28*
		28,320.00*	$1,254.00*	$3,672.80*	12,411.10*	10,982.10*
	0210		-1,254.00			
	9874			1,110.99		
		28,320.00*	-0-*	4,783.79*	12,411.10*	11,125.11*
		12,345.67*	-0-*	-0-*	6,789.01*	5,556.66*
	1234				201.23	
		12,345.67*	-0-*	-0-*	6,990.24*	5,355.43*
		-8,000.00*				-8,000.00*
		$120,000.00*	$3,579.11*	$9,012.34*	$70,223.22*	$37,185.33*

MARYLAND STATE DEPARTMENT OF EDUCATION

MONTHLY REPORT OF ALLOCATIONS AND EXPENDITURES

April 30, 1967

FISCAL YEAR	APPROPRIATION NAME AND NUMBER	ORGANIZATION NAME AND NUMBER	COST CENTER NAME AND NUMBER
1966-67	01 General Operating Expenditures	03 Division of Administration and Finance	011 Accounting

OBJECT	NAME OF ACCOUNT	ALLOCATIONS	REQUISITIONS	ENCUMBRANCES	EXPENDITURES	AVAILABLE BALANCE
01	SALARIES AND WAGES	$40,000.00			$30,000.00	$10,000.00
02	TECHNICAL AND SPECIAL FEES	1,000.00		$250.00	650.00	100.00
03	COMMUNICATIONS	600.00			400.00	200.00
04	TRAVEL	500.00			300.00	200.00
07	MOTOR VEHICLE OPERATIONS & MAINTENANCE	300.00			180.00	120.00
08	CONTRACTUAL SERVICES	400.00		200.00	200.00	-0-
09	SUPPLIES AND MATERIALS	400.00	$200.00	100.00	100.00	-0-
10	EQUIPMENT-REPLACEMENT	200.00	100.00	100.00	-0-	-0-
11	EQUIPMENT-ADDITIONAL	50.00	25.00	10.00	-0-	15.00
12	GRANTS, SUBSIDIES AND CONTRIBUTIONS	200.00			150.00	50.00
13	FIXED CHARGES	400.00		100.00	250.00	50.00
99	UNREALIZED ALLOCATIONS	-8,000.00				-8,000.00
	NET TOTALS-COST CENTER	$36,050.00	$325.00	$760.00	$23,230.00	$2,735.00

MARYLAND STATE DEPARTMENT OF EDUCATION
MONTHLY REPORT OF APPROPRIATIONS
APRIL 30, 1967

ROP. DE	NAME OF APPROPRIATION	STATE APPROPRIATIONS	ESTIMATED APPROP. AUGMENTATIONS	TOTAL APPROPRIATI
1	GENERAL OPERATING EXPENDITURES	$ 3,420,750.00	$1,250,000.00	$ 4,670,75
2	AID TO EDUCATION	110,570,430.00	8,330,799.00	118,901,22
3	TEACHERS' RETIREMENT SYSTEM	16,790,450.00	--0--	16,790,45
4	STATE AIDED EDUCATIONAL INST.	1,750,000.00	--0--	1,750,00
	TOTALS	$132,531,630.00	$9,580,799.00	$142,112,42

YLAND STATE DEPARTMENT OF EDUCATION

MONTHLY REPORT OF APPROPRIATIONS

APRIL 30, 1967

ATE RIATIONS	ESTIMATED APPROP. AUGMENTATIONS	TOTAL APPROPRIATIONS	ALLOCATIONS	BALANCE AVAILABLE FOR ALLOCATION
20,750.00	$1,250,000.00	$ 4,670,750.00	$ 3,750,000.00	$ 920,750.00
70,430.00	8,330,799.00	118,901,229.00	116,350,229.00	2,551,000.00
90,450.00	--0--	16,790,450.00	16,790,450.00	--0--
750,000.00	--0--	1,750,000.00	1,750,000.00	--0--
31,630.00	$9,580,799.00	$142,112,429.00	$138,640,679.00	$3,471,750.00

MARYLAND STATE DEPARTMENT OF EDUCATION
MONTHLY REPORT OF PAYMENT DISTRIBUTION
JUNE 30, 1967

ACCOUNTING CODE					DISTRIBUTION BY FUNDS		
DEPT.	APPROP.	PROGRAM	OBJECT	TOTAL PAYMENTS	GENERAL	SPECIAL	FEDERAL
04	01	01	02	$ 10,000.00	$ 5,000.00		$ 5,000.00
04	01	01	03	9,000.00	5,000.00		4,000.00
04	01	01	04	8,000.00	4,000.00	$ 1,000.00	3,000.00
04	01	01	05	7,000.00	3,500.00		3,500.00
04	01	01	06	6,000.00	3,000.00		3,000.00
04	01	01	07	5,000.00	4,000.00		1,000.00
04	01	01	08	4,000.00	2,000.00		2,000.00
04	01	01	09	3,000.00	1,000.00	1,000.00	1,000.00
04	01	01	10	2,000.00	1,000.00		1,000.00
04	01	01	11	1,000.00	500.00		500.00
04	01	01	12	3,000.00	2,000.00		1,000.00
04	01	01	13	5,000.00	2,000.00	1,000.00	2,000.00
04	01	01	14	7,000.00	4,000.00		3,000.00
				70,000.00	37,000.00	3,000.00	30,000.00
04	01	08	02	6,000.00	3,000.00		3,000.00
04	01	08	03	7,000.00	3,500.00		3,500.00
04	01	08	04	8,000.00	3,500.00	1,000.00	3,500.00
04	01	08	05	9,000.00	5,000.00		4,000.00
04	01	08		30,000.00	15,000.00	1,000.00	14,000.00
04	01			$500,000.00	$275,000.00	$15,000.00	$210,000.00

MARYLAND STATE DEPARTMENT OF EDUCATION

RESOURCES OF STATE EDUCATION
AGENCIES

1966-67 FISCAL YEAR

CODE NO.	PROGRAM FUNCTION	PERSONNEL		OBJECTS OF EXPEND		
		PROFESSIONAL	NON-PRO.	SALARIES		CONTRACTED SERVICES
				PROFESSIONAL	NON-PROFESSIONAL	
0.000	GENERAL ADMINISTRATION					
1.000	STATE EDUCATION AGENCY					
1.100	Office of State Board of Educ.	8	3	80,000.00	15,000.00	--0--
1.200	Executive Office-State Board ofEd.	7	2	70,000.00	10,000.00	500.00
1.300	Office of Board of Voc. Ed.	6	3	60,000.00	15,000.00	1,000.00
1.400	Executive Office-Board of Voc. Ed.	5	4	50,000.00	20,000.00	--0--
1.500	Office of State Education Agency	4	5	40,000.00	25,000.00	--0--
1.600	Executive Office-Other	3	4	30,000.00	20,000.00	5,000.00
0.000	GENERAL (UNALLOCATED) FUNCTIONS			--0--	--0--	100,000.00
1.000	Purchase or Rental of Plant Facilities					
2.000	Operation or Maintenance of Plant Facilities					
3.000	Purchase or Rental of Unallocated Equipment					
4.000	Travel					
5.000	Other Expenses					
0.000	EMPLOYEE BENEFITS					
0.000	OTHER STATE EDUCATION AGENCY PROGRAM FUNCTIONS					
	TOTALS	150	125	1,500,000.00	62,500.00	250,000.00

MARYLAND STATE DEPARTMENT OF EDUCATION

RESOURCES OF STATE EDUCATION
AGENCIES

1966-67 FISCAL YEAR

ONNEL		OBJECTS OF EXPENDITURE						
		SALARIES		CONTRACTED		LAND, BUILDINGS	OTHER	TOTAL
S-	NON-PRO.	PROFESSIONAL	NON-PROFESSIONAL	SERVICES	TRAVEL	AND EQUIPMENT	EXPENDITURES	EXPENDIT
	3	80,000.00	15,000.00	--0--	1,000.00	1,000.00	300.00	97,300.
	2	70,000.00	10,000.00	500.00	800.00	--0--	200.00	81,500.
	3	60,000.00	15,000.00	1,000.00	600.00	--0--	100.00	76,700.
	4	50,000.00	20,000.00	--0--	400.00	100.00	--0--	70,500.
	5	40,000.00	25,000.00	--0--	200.00	--0--	--0--	65,200.
	4	30,000.00	20,000.00	5,000.00	--0--	500.00	--0--	55,500.
		--0--	--0--	100,000.00	1,000.00			101,000.
	125	1,500,000.00	62,500.00	250,000.00	9,000.00	75,000.00	5,000.00	1,901,50

REPORT OF EXPENDITURES BY PURPOSE
REPORT OF EXPENDITURES BY FUNCTION
REPORT OF EXPENDITURES BY CLIENTELE
REPORT OF EXPENDITURES BY SUBJECT MATTER
REPORT OF EXPENDITURES BY U.S.O.E. CODE

MARYLAND STATE DEPARTMENT OF EDUCATION

REPORT OF EXPENDITURES BY INSTRUCTIONAL LEVEL

1966-67 FISCAL YEAR

CATEGORY CODE	COST CENTER CODE	NAME OF CATEGORY NAME OF COST CENTER	AMOUNT OF EXPENDITURE
10		Pre-Elementary Education	-0-
20		Elementary Education	
	36	Supervisor of Elementary Schools	$ 1,000.00
	38	General Curriculum: Elementary Schools	3,000.00
	49	English: Elementary	5,000.00
	51	Art: Elementary	4,000.00
	53	Music: Elementary	3,000.00
	55	Foreign Language: Elementary	2,000.00
	57	Reading: Elementary	5,000.00
	59	Math: Elementary	4,000.00
	61	Science (Physical and Biological): Elementary	6,000.00
	63	Social Science: Elementary	6,000.00
	66	Physical Education: Elementary	7,000.00
	68	Health Education: Elementary	5,000.00
30		Secondary Education	
	16	Driver Education	5,000.00
	37	Supervisor of Secondary Schools	4,000.00
99		Miscellaneous Categories	
	100	Certification Division Administration	5,000.00
	106	Licensing Solicitors: Non-Public Specialized Schools	3,000.00
	111	Library Division Administration	4,000.00
	112	Operation of Professional Library	8,000.00
	116	Provision of Financial and Material Aid	6,000.00
		TOTALS	$2,000,000.00